

DRAFT STATEMENT OF ACCOUNTS 2025-26



01279 655261

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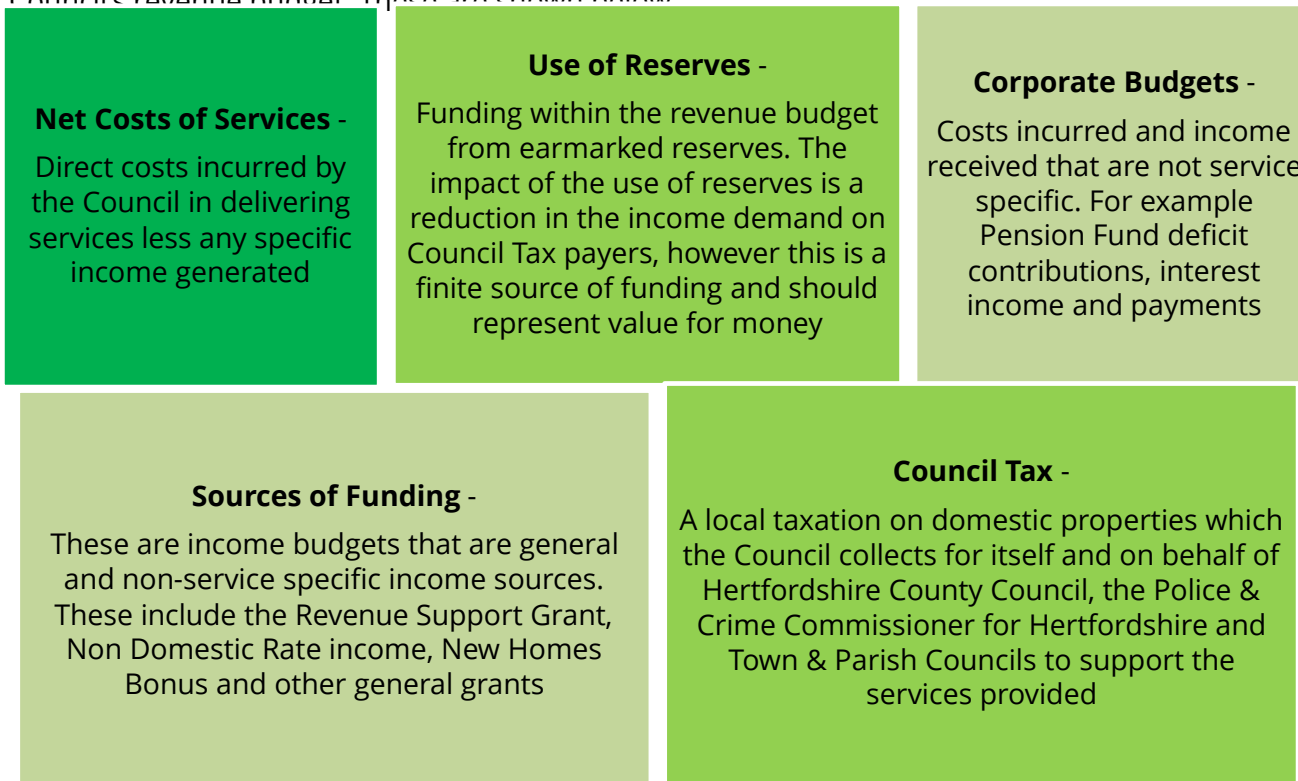
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The Annual Governance Statement 2025/26 is published alongside the draft Statement of Accounts at www.eastherts.gov.uk

FINANCIAL PERFORMANCE IN 2025/26

The 2025/26 budget was set by Full Council in February 2025 as part of the budget report and Medium Term Financial Plan for 2025/26 to 2028/29. There are five major 'building blocks' to the Council's revenue budget. These are shown below:



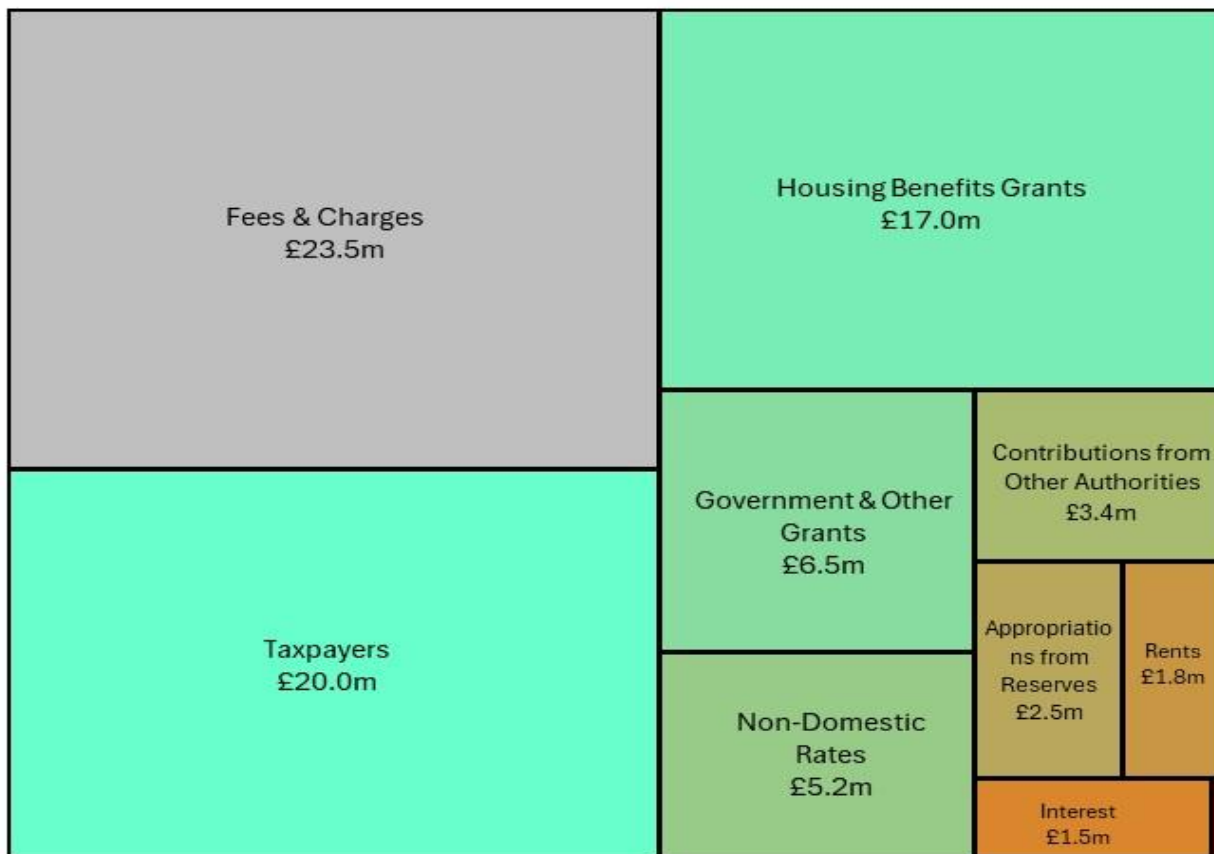
The table below details the Council's performance against the five major 'building blocks'. There was a £678k overspend in 2025/26, this has been funded from the General Reserve.

	Original Budget 2025/26	2025/26 Outturn	Variance
	£'000	£'000	£'000
Total Net Cost of Services	15,757	18,163	2,406
Corporate Budgets Total	4,540	4,115	(425)
Net Use of Reserves	(164)	(1,360)	(1,196)
Funding	(7,008)	(7,115)	(107)
Council Tax	(13,131)	(13,131)	0
Overspend	(6)	672	678

The Council's budget is monitored monthly by senior management and reported quarterly to the Executive. Further details on the 2025/26 outturn position will be presented to Audit and Governance Committee in June 2026.

2025/26 Income streams

The chart below shows the **£81.5m** of income that the Council received in 2025/26. The largest source of income was Fees & Charges, followed by Council Tax funding.



Highlighted below are some of the largest income generating activities of the Council:

- **£5.0m** income collected through the Council's 25 pay and display car parks
- **£5.0m** income from waste and recycling, from the sale of recyclable materials and credits from the County Council for waste diverted from landfill and income from garden waste.
- **£1.8m** income from planning applications

Included in the £6.5m of government and other grants income are:

- **£1.2m** of New Homes Bonus, which is a Government scheme aimed at encouraging local authorities to grant planning permission in return for additional revenue.
- **£0.3m** General government grants (Revenue Support Grant, Funding Guarantee & Services grant) to fund service provision
- **£1.1m** grants received to support homelessness
- **£0.2m** grants received in relation to UK Shared Prosperity Fund

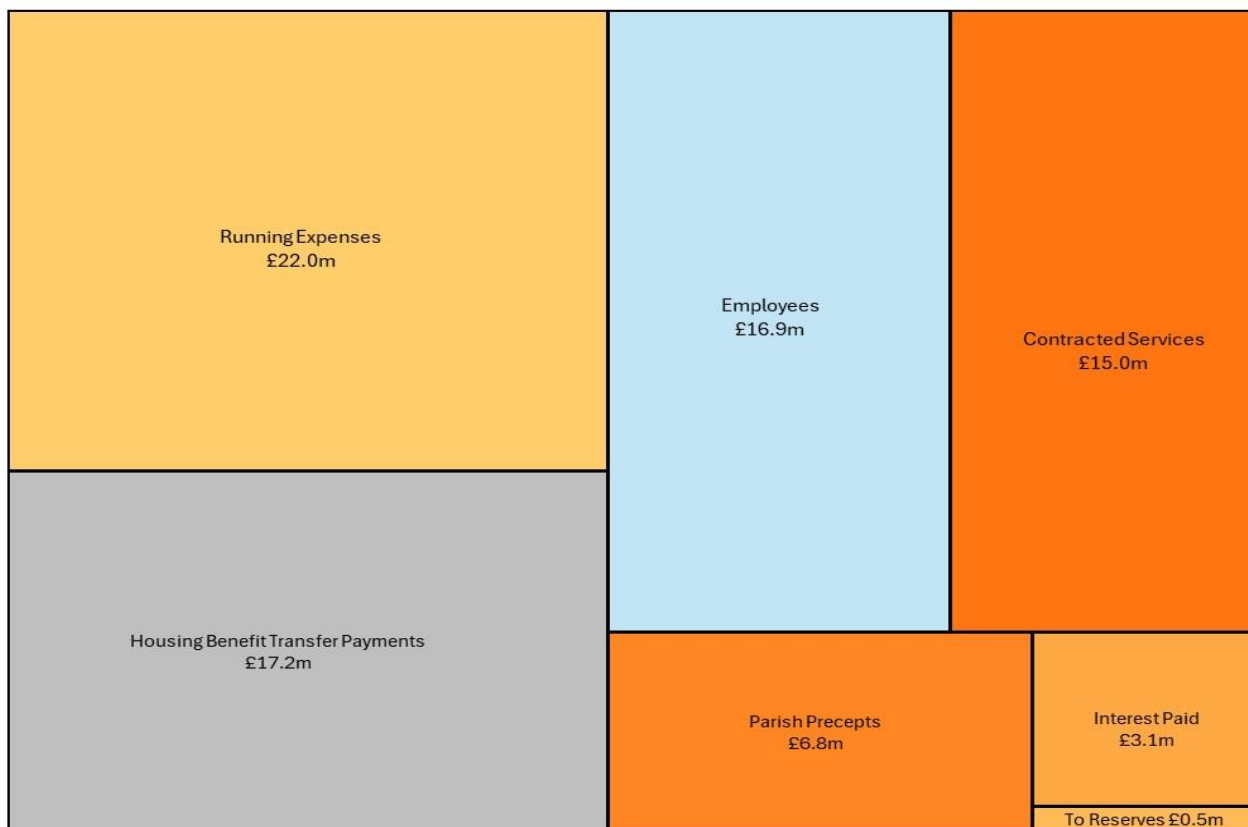
East Herts Council is the billing authority for Non Domestic Rates (Business Rates) collected from businesses across the district. This is then distributed to Central Government, East Herts District Council and Hertfordshire County Council. After distribution the income attributable to East Herts including section 31 grant income totalled **£5.2m** in 2025/26.

As the billing authority, East Herts District Council collects Council Tax income from residents of the district; this is then distributed between Hertfordshire County Council, East Herts Council and the Police and Crime Commissioner. Of the income collected, the Council's share in 2025/26 was £20.0m; £6.8m of which was distributed to Town and Parish Councils across the district. Council Tax income is used to fund services in the year.

The Council earned Interest and Investment income of £1.5m in 2025/26 on its portfolio of investments and holdings in property funds.

2025/26 Expenditure

The chart below shows breakdown of the **£81.5m** that the the Council spent in 2025/26. Running expenses make up the largest outgoing (**£22m**) of the Council.



Included in the Council's running expenses figure are the following

- **£11.8m** direct costs of providing Council services throughout the year including, public and environmental health, planning, sports, leisure and parks.
- **£4.8m** of premises related costs, including ongoing maintenance of the Council's operational buildings, business rates, insurance and utilities costs for all the Council's buildings, car parks, theatre and leisure facilities;

The cost of the Council's main contracts included in the contracted services figure (£15.0m) are broken down as follows:

- **£6.9m** Refuse & Recycling
- **£1.6m** Cleansing
- **£1.5m** Grounds maintenance
- **£0.9m** Parking enforcement

FINANCIAL MANAGEMENT

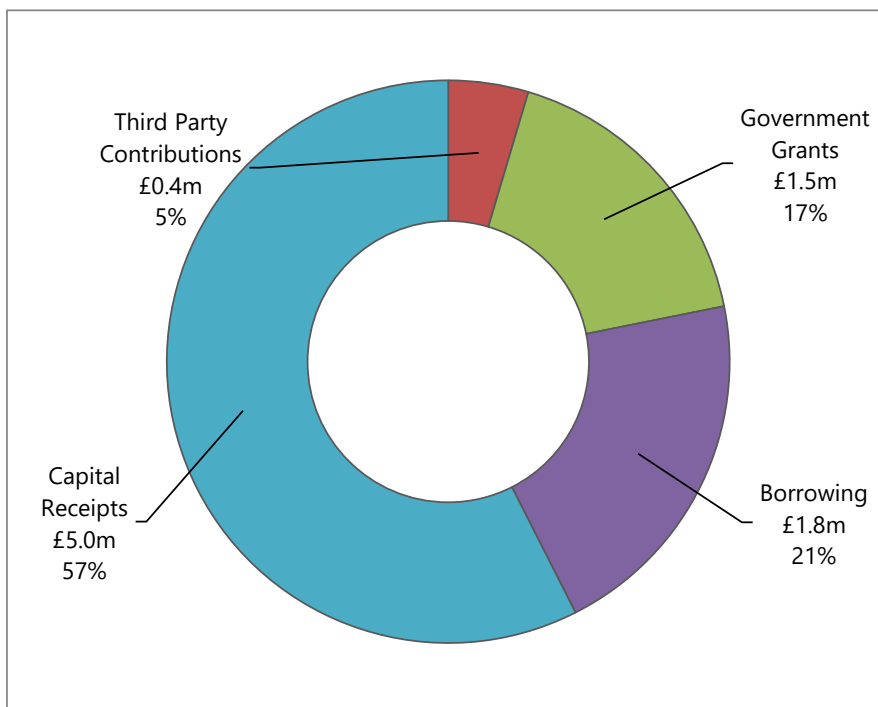
Capital

Capital expenditure relates to the acquisition or enhancement of assets which generate a benefit for a period greater than one year. This differs to the Revenue expenditure, discussed previously, which is defined as money that the authority spends or receives in the same year that the services are delivered.

During 2025/26, the Council incurred expenditure of **£8.7m** on capital projects, compared with a capital programme budget of **£12m**. A total budget of **£1.1m** has been carried forward to 2026/27 to match ongoing schemes which didn't commence in 2025/26 or where works are ongoing. A selection of the capital schemes undertaken this year are shown below:

- **£7.6m** investment in waste & recycling vehicles and containers
- **£0.2m** upgrade to the Depot
- **£0.1m** improvements to information, communication and
- **£0.1m** regeneration of the Old River Lane town centre

A combination of capital grant income, receipts from disposal of assets, third party contributions and revenue contributions were used to fund the 2025/26 capital programme. The split is shown in the following pie chart:



MEDIUM TERM FINANCIAL PLAN

East Herts' approach to setting the revenue and capital budget for the four years commencing 2025/26 was to improve the organisational financial sustainability and resilience in the forthcoming years.

The budget report sets out the proposals and outcomes that Officers and Members had arrived at to ensure that the Council maintains a sustainable budget position for the future.

The MTFP provides the framework for the development of annual budgets in line with the aims of the Council's Corporate Strategy.

Reserves are an essential part of good financial management. They help councils cope with unpredictable financial pressures, help them smooth the impact of known spending requirements over time, and help to fund any in-year overspending. In 2025/26, the Council utilised a net **£2.0m** from general and earmarked reserves; the balance held in earmarked at the end of the year is **£15.0m**.

Details of the Council's earmarked reserves (set aside for a defined purpose to meet known or predicted future liabilities) and General Reserve (to manage cash flows and limit the need for temporary borrowing and to provide a contingency for unforeseeable events and emergency spending) can be found within the Statement of Accounts.

PENSION FUND

The Council participates in the Local Government Pension Scheme which is administered by Hertfordshire County Council. Under current accounting standards, the impact of any pension liability must be shown in the balance sheet.

Further information is given in note 33, on page 61.

EXPLANATION OF ACCOUNTING STATEMENTS

Statement	Explanation
Movement in Reserves Statement	Shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves
Comprehensive Income & Expenditure Statement	A summary of the resources generated and consumed by the Council in the year
Balance Sheet	Sets out the financial position of the Council on 31 March 2026
Cash Flow Statement	Summarises the Council's inflows and outflows of cash for the year 2025/26
Notes to the Accounts	Provide support to the core financial statements, which inform and give sufficient information to present a good understanding of the Council's activities. The notes include a Statement of Accounting Policies which details the legislation and principles on which the Statement of Accounts have been prepared. The purpose is to explain the basis for recognition, measurement and disclosure of transactions and other events in the Statement of Accounts
Supplementary Financial Statements – The Collection Fund	Shows the level of Non Domestic Rates and Council Tax that has been received by the Council, as billing authority, during the period
Glossary of Financial Terms	Explains some of the key terms used in the Statement of Accounts
Statement of Responsibilities for the Statement of Accounts	Identifies the officer who is responsible for the proper administration of the Council's financial affairs. The purpose is for the Chief Finance Officer to sign under a statement that the Statement of Accounts present a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March 2026

The Core Accounting Statements

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the economic cost of providing the Council's services with more details shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase/(Decrease) before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

		General Fund Balance	Earmarked General Fund Reserves	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
		£000	£000	£000	£000	£000	£000
Balance at 31 March 2025		3,854	17,297	189	21,340	73,780	95,120
Movement in reserves during 2025/26		(2,441)	-	-	(2,441)	-	(2,441)
Other Comprehensive Income & Expenditure		0	-	-	-	8,418	8,418
Total Comprehensive Income and Expenditure		(2,441)	-	-	(2,441)	8,418	5,977
Adjustments between accounting basis and funding basis under regulations	Note 5	403	-	(1)	402	(403)	(1)
Net Increase/Decrease before Transfers to Earmarked Reserves		(2,038)	-	(1)	(2,039)	8,015	5,976
Transfers to/(from) Earmarked Reserves	Note 6	2,038	(2,038)	-	-	-	-
Increase/(Decrease) in Year		-	(2,038)	(1)	(2,039)	8,015	5,976
Balance as at 31 March 2026 carried forward		3,854	15,259	188	19,301	81,795	101,096

		General Fund Balance	Earmarked General Fund Reserves	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
		£000	£000	£000	£000	£000	£000
Balance at 31 March 2024		3,854	22,015	189	26,058	92,479	118,537
Movement in reserves during 2024/25		(12,371)	-	-	(12,371)	-	(12,371)
Other Comprehensive Income & Expenditure		-	-	-	-	(11,046)	(11,046)
Total Comprehensive Income and Expenditure		(12,371)	-	-	(12,371)	(11,046)	(23,417)
Adjustments between accounting basis and funding basis under regulations	Note 5	7,653	-	-	7,653	(7,653)	-
Net Increase/Decrease before Transfers to Earmarked Reserves		(4,718)	-	-	(4,718)	(18,699)	(23,417)
Transfers to/(from) Earmarked Reserves	Note 6	4,718	(4,718)	-	-	-	-
Increase/(Decrease) in Year		-	(4,718)	-	(4,718)	(18,699)	(23,417)
Balance as at 31 March 2025 carried forward		3,854	17,297	189	21,340	73,780	95,120

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices (GAAP), rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations, generally this will be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

During 2025/26, there was a restructure of the organisation, the net cost of services net expenditure below has been recalculated and presented as if the new structure was in place during the prior year (2024/25).

	2025/26		Restated 2024/25	
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Net Expenditure £000
Chief Executive & Corporate Support	335	-	335	543
Centrally Managed Costs	695	(45)	650	1,029
Communities	17,978	(11,159)	6,819	6,933
Finance, Risk & Performance	26,165	(21,052)	5,113	4,383
Legal, Policy & Governance	1,955	(137)	1,818	1,944
Place	14,435	(7,130)	7,305	7,135
Regeneration, Customer & Commercial Services	8,769	(10,244)	(1,475)	10,529
NET COST OF SERVICES			20,565	32,496
Payments of precepts to parishes			6,775	6,045
Gain or (Loss) on disposal of non current (fixed) assets			338	(372)
Minimum Revenue provision			1,431	751
OTHER OPERATING EXPENDITURE			8,544	6,424
Interest payable and similar charges			3,083	2,369
Net Interest on the net defined benefit liability & remeasurements of the defined benefit liability for long term employee benefits			451	(491)
Interest receivable and similar income			(1,505)	(1,729)
Income from investment properties (Note 10)			(348)	(432)
Direct expenditure incurred on investment properties (Note 10)			376	320
Changes in Fair Value of Investment Properties			42	(364)
Other Investment			448	1,857
FINANCING AND INVESTMENT EXPENDITURE			2,547	1,530
Recognised capital grants and contributions			(1,884)	(1,977)
Council tax income			(19,994)	(18,844)
Non domestic rates			(286)	911
Non service related government grants			(6,933)	(8,078)
Renewable energy			(118)	(91)
TAXATION AND NON-SPECIFIC GRANT INCOME (Note 29)			(29,215)	(28,079)
(SURPLUS) / DEFICIT ON PROVISION OF SERVICES			2,441	12,371
(Surplus) or Deficit on revaluation of Fixed assets			(94)	(1,762)
Remeasurements of the net defined benefit liability (Note 33)			(8,192)	14,835
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			(8,286)	13,073
(Surplus) / Deficit on revaluation of financial instruments (Note 12)			(131)	(2,028)
ITEMS THAT MAY BE RECLASSIFIED TO THE (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			(131)	(2,028)
OTHER COMPREHENSIVE INCOME AND EXPENDITURE			(8,417)	11,045
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE			(5,976)	23,416

BALANCE SHEET

These financial statements are authorised by Brian Moldon - Director for Finance, Risk and Performance 25/06/2026

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council.

		31 March '26		31 March '25	
		£000	£000	£000	£000
Property, Plant & Equipment	Note 7				
- Other land and buildings		106,517			110,754
- Vehicles, plant, furniture and equipment		9,247			1,936
- Infrastructure assets		1,074			1,270
- Community assets		7,486			7,481
- Surplus assets		1,633			1,739
- Assets under Construction		3,732			3,595
			129,689		
Investment Properties	Note 10	4,250			4,292
Intangible Assets	Note 11	419	4,669		259
			134,358		131,326
Long Term Investments	Note 12	1,656			11,524
Long Term Debtors	Note 15	3,330	4,986		3,530
TOTAL LONG TERM ASSETS			139,344		146,380
Assets Held For Sale	Note 17	8,083			12,294
Short Term Investments	Note 12	3,023			2,942
Short Term Debtors	Note 15	15,453			16,575
Cash and Cash Equivalents	Note 16	21,143			21,294
CURRENT ASSETS			47,702		53,105
Provisions	Note 19	(150)			(2,106)
Short Term Creditors	Note 18	(14,667)			(17,592)
Short Term Borrowing	Note 12	(57,500)			(63,000)
CURRENT LIABILITIES			(72,317)		(82,698)
Provisions	Note 19	(600)			(995)
Long Term Borrowing	Note 12	(1,500)			(1,500)
Net Pension Liability	Note 33	-			(9,111)
Grant Receipts in Advance - Capital	Note 29	(2,555)			(3,868)
- Revenue		(8,978)			(6,193)
LONG TERM LIABILITIES			(13,633)		(21,667)
NET ASSETS			101,096		95,120
USABLE RESERVES					
- General Fund	Note 20	3,854			3,854
- Earmarked Reserves	Note 6	15,259			17,297
- Capital grants Unapplied	Note 20	188			189
			19,301		21,340
UNUSABLE RESERVES					
- Revaluation Reserve	Note 21	29,411			32,128
- Financial Instrument Revaluation	Note 21	-			(132)
- Pensions Reserve	Note 21	-			(9,111)
- Capital Adjustment Account	Note 21	52,649			51,445
- Deferred Capital Receipts	Note 21	137			139
- Collection Fund Adjustment Account	Note 21	(172)			(482)
- Short-term Accumulating Compensated	Note 21	(230)			(207)
			81,795		73,780
TOTAL RESERVES			101,096		95,120

THE CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period.

The 2024/25 cash flow position has been restated following a review in 2025/26

	Restated	
	2025/26 £000	2024/25 £000
OPERATING ACTIVITIES		
Cash Inflows		
Council Tax receipts	(20,027)	(18,686)
NNDR Receipts	(20,546)	(19,172)
DWP grants for benefits	(18,828)	(21,137)
Other Government grants	(10,653)	(10,840)
Cash received for goods and services	(25,728)	(26,846)
Interest received	(1,566)	(1,826)
Cash inflows generated from operating activities	(97,348)	(98,507)
Cash Out Flows		
Cash paid to and on behalf of employees	17,831	16,981
Housing Benefit paid out	16,765	21,333
Other operating cash payments	35,126	31,230
Precepts paid to other authorities	6,775	6,045
Interest paid	2,828	2,986
Cash outflows generated from operating activities	79,325	78,575
Net Cash Inflow from operating activities		(19,932)
INVESTING ACTIVITIES		
- Purchase of property plant and equipment, investment property and intangible assets	9,188	3,926
- Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(5,509)	(206)
- Capital grants	(1,427)	(2,262)
- Proceeds from short-term and long-term investments	(9,973)	(7,056)
Net cash outflow from investing activities		(5,598)
FINANCING ACTIVITIES		
- Cash receipts of short and long-term borrowing	5,499	(10,880)
- Cash Payments for the reduction of the outstanding liabilities relating to finance leases (Principal)		
- Other payments for financing activities	20,396	19,272
Net cash outflow from financing activities		8,392
Net increase in cash and cash equivalents		151
Cash and cash equivalents at the beginning of the reporting period		(4,156)
Cash and cash equivalents at the end of the reporting period		(21,294)

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

	General Policies
i.	The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Accounts and Audit (England) Regulations 2015 require the Council to prepare the Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2025/26 and the Service Reporting Code of Practice (SeRCOP) 2025/26, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.
ii.	The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the Council will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.
iii.	Accruals of income & expenditure
	Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:
	<ul style="list-style-type: none"> Income from the provision of services in the form of sales, fees, charges and rents is recognised and accounted for in the period to which they relate.
	<ul style="list-style-type: none"> Expenses in relation to services received (including services provided by employees, transport-related, premises-related, and supplies and services-related expenditure) are recorded as expenditure when the services are received rather than when payments are made, with the exception of quarterly utility payments where no actual apportionment is made for bills spanning two financial years.
	<ul style="list-style-type: none"> Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
	<ul style="list-style-type: none"> Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Provision is made for doubtful debts and known uncollectable debts are written off in accordance with the Council's agreed policy.
iv.	Cash and cash equivalents
	Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three weeks or less that are readily convertible to known amounts of cash with insignificant risk of change in value and are used to meet short term liquidity requirements.
	In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the management of the Councils ongoing cash flow.

v.	Prior period adjustments, changes in accounting policies and estimates and errors
	Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.
	Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.
vi.	Charges to revenue for non-current assets
	Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:
	<ul style="list-style-type: none"> · Depreciation attributable to the assets used by the relevant service
	<ul style="list-style-type: none"> · Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
	<ul style="list-style-type: none"> · Amortisation of intangible fixed assets attributable to the service.
	The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. Depreciation, revaluation, impairment losses and amortisations are therefore transferred to the Capital Adjustment Account in the Movement in Reserves Statement.
vii.	Employee benefits
	Benefits payable during employment
	Short-term employee benefits are those due to be settled within 12 months of the year- end. They include such benefits as salaries, paid annual leave and paid sick leave, and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements and flexi-time earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday

Post employment benefits (pensions)	
	The Council participates in one scheme, the Local Government Pension Scheme, which is a defined benefit final salary scheme administered by Hertfordshire County Council.
	The liabilities of the Hertfordshire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of future earnings for current employees.
	Liabilities are discounted to their value at current prices, using a discount rate. The discount rate has been determined as the long-term government bond yield plus an allowance for the average difference between the yield on corporate bonds and government bonds. This difference in yields is a result of the difference in the risk of default. This approach has been adopted as government bonds have a long enough term to match the term of the liabilities whereas corporate bonds have shorter terms.
	The assets of Hertfordshire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value as required under IAS19.
	The change in the net pensions' liability is analysed into seven components:
	<ul style="list-style-type: none"> · Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
	<ul style="list-style-type: none"> · Past service cost / gain – the increase / decrease in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited / credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs;
	<ul style="list-style-type: none"> · Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
	<ul style="list-style-type: none"> · Expected return on assets – the annual investment return on the pension fund assets attributable to the Council, based on an average of the expected long-term return, credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
	<ul style="list-style-type: none"> · Gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs;
	<ul style="list-style-type: none"> · Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve;
	<ul style="list-style-type: none"> · Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense

	In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.
	In line with the requirements of the Code, the past-service contribution is no longer a current revenue item but is included as part of the payments to the pension fund (in accordance with pension scheme regulations) and is treated as a cash flow item which reduces the pensions liability. This is also in line with the requirements of the Code.
	Further information can be found in Hertfordshire County Council's Pension Fund's Annual Report, which is available on www.hertfordshire.gov.uk .
viii.	Events after the balance sheet date
	Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:
	<ul style="list-style-type: none"> · Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted where material to reflect such events
	<ul style="list-style-type: none"> · Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.
	Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

ix.	Government grants and contributions - revenue and capital
	Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis and recognised in the accounts when there is reasonable assurance that the Council will comply with any conditions attached to the payments, and the grants or contributions will be received.
	The grant or contribution is recognised immediately within the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition relating to the initial recognition that the Council has not satisfied.
	Monies received as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as a liability within the Grants Receipts in Advance Account. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.
	Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund expenditure.
	Revenue grants specific to service provision are shown against the relevant service in the Comprehensive Income and Expenditure Statement. General grants allocated by central government directly to local authorities as additional revenue funding which are non-ring fenced are credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.
x.	Minimum revenue provision
	In accordance with current legislation, the minimum revenue provision (MRP) for the redemption of debt is required to be calculated on a prudent basis having regard to guidelines set out for application of the prudential code.
xi.	Overheads and support services
	As the Council does not include the recharge of overheads and support services in how they monitor and manage financial performance, they are no longer included in the year end accounts.
xii.	Provision for bad debt
	The value of receivables (debtors) shown on the Balance Sheet is adjusted for doubtful debts. The level of bad debt provision is reviewed annually. Uncollectable debts are written off against the provision. The following methods are used:
	Trade Accounts Receivable - Age and Collectability
	Housing Benefits Overpayments - Age and Collectability
	National Non-Domestic Rates - Age and previous experience
	Council Tax - Age and previous experience

xiii.	Revenue Expenditure Funded from Capital under Statute (REFCUS)
	Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account is made which reverses out the amounts charged so that there is no impact on the level of council tax.
xiv.	Capital receipts
	Capital Receipts arise from the sale of non-current assets (Property, Plant and Equipment and Investment Properties). Further to the introduction of the Prudential Capital Finance System on 1 April 2004, capital receipts are all deemed to be "usable" and are held within the Capital Receipts Reserve.
	Prior to this date, in accordance with Government legislation, a proportion of certain receipts had to be "set aside" and are retained within the Capital Adjustment Account as provision for the repayment of debt.
xv.	VAT
	Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenues & Customs and in most circumstances all VAT paid is recoverable from them. VAT has been included in the income and expenditure accounts only to the extent that it is irrecoverable.
xvi.	Tax Income (Council Tax, Non-Domestic Rates (NDR))
	The Council Tax and NDR income in the CIES is the Council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NDR that must be included in the Councils General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement
	The Balance Sheet includes the Council's share of the end of year balances in respect of the Council Tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments, prepayments, and appeals.
	Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line within the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

xvii.	Interests in other entities
	The Council has set up a wholly-owned subsidiary called Millstream Property Investments Ltd, which has the principal activity of acquiring, developing and refurbishing properties. The Company's accounts are consolidated into the Council's accounts and the consolidated accounts are included in the Council's Statement of Accounts.
	In addition, the Council also has an interest in Hertfordshire Building Control Limited, a company which is equally owned by seven Hertfordshire authorities.
xviii.	Capitalisation of interest
	The Council capitalises borrowing costs incurred whilst qualifying assets are under construction. Qualifying assets are where there is a 'substantial period of time' from the first capital expenditure financed from borrowing until the asset is ready to be brought into use. A substantial period of time is considered to mean in excess of two years.

2. Expenditure and Funding Analysis

The object of the Expenditure and Funding Analysis is to demonstrate to Council Taxpayers how the funding available to the authority (ie government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with general accepted accounting practices.

The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2025/26	Net Expenditure chargeable to the General Fund balance		
	£000	Adjustments between Funding & Accounting basis £000	Net Expenditure in CIES £000
Chief Executive & Corporate Support	335	47	382
Communities	6,819	851	7,670
Centrally Managed Costs	650	-	650
Legal, Policy & Governance	1,818	(29)	1,789
Place	7,305	2,559	9,864
Regeneration, Customer & Commercial Services	(1,475)	(865)	(2,340)
Finance, Risk & Performance	5,113	(126)	4,987
Net cost of services	20,565	2,436	23,001
Other income and Expenditure	(22,978)	2,418	(20,560)
(Surplus) or Deficit on Provision of Services	(2,413)	4,854	2,441
Operating General Fund balance at 1 April 2025	21,340		
Transfers to/(from) Earmarked Reserves	(2,039)		
Closing General Fund Balance at 31 March 2026	19,301		

2024/25	Net Expenditure chargeable to the General Fund balance		
	£000	Adjustments between Funding & Accounting basis £000	Net Expenditure in CIES £000
Chief Executive & Corporate Support	543	108	651
Communities	6,933	917	7,850
Centrally Managed Costs	1,029	2	1,031
Legal, Policy & Governance	1,944	20	1,964
Place	7,135	2,247	9,382
Regeneration, Customer & Commercial Services	10,529	10,346	20,875
Finance, Risk & Performance	4,383	38	4,421
Net Cost of Services	32,496	13,678	46,174
Other Income and Expenditure	(31,307)	(2,496)	(33,803)
(Surplus) or Deficit on Provision of Services	1,189	11,182	12,371
Operating General Fund balance at 1 April 2024	26,058		
Transfers to/(from) Earmarked Reserves	(4,718)		
Closing General Fund Balance at 31 March 2025	21,340		

*Please note that the figures for 2024/25 have been restated to reflect the latest organisational structure for the purposes of comparison.

Note to the Expenditure and Funding Analysis - Adjustments between Funding and Accounting Basis

2025/26

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for	Net change for	Other	Total
	Capital Purposes	the Pensions	Differences	Adjustments
	(Note 1)	(Note2)	(Note 3)	Adjustments
	£000	£000	£000	£000
Chief Executive & Corporate Support Team	59	(12)	-	47
Communities	953	(106)	4	851
Centrally Managed Costs	-	-	-	-
Legal Policy & Governance	23	(53)	1	(29)
Place	2,769	(218)	8	2,559
Regeneration, Customer & Commercial Services	(748)	(121)	4	(865)
Finance, Risk & Performance	69	(202)	7	(126)
Net cost of services	3,125	-713	23	2,436
Other income and expenditure from the Funding Analysis	3,648	(919)	(311)	2,418
Difference between General Fund (surplus) or deficit and Comprehensive Income & Expenditure Statement (surplus) or deficit	6,773	(1,632)	(288)	4,854

2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for	Net change for	Other	Total
	Capital Purposes	the Pensions	Differences	Adjustments
	(Note 1)	(Note2)	(Note 3)	Adjustments
	£000	£000	£000	£000
Chief Executive & Corporate Support Team	108	-	-	108
Communities	931	3	(16)	917
Centrally Managed Costs	4	-	(2)	2
Legal Policy & Governance	23	1	(5)	20
Place	2,260	5	(18)	2,247
Regeneration, Customer & Commercial Services	10,354	2	(10)	10,346
Finance, Risk & Performance	54	5	(21)	38
Net cost of services	13,734	16	(71)	13,678
Other income and expenditure from the Funding Analysis	(2,339)	(1,128)	973	(2,494)
Difference between General Fund (surplus) or deficit and Comprehensive Income & Expenditure Statement (surplus) or deficit	11,395	(1,112)	902	11,184

Note 1 – Adjustments for Capital Purposes

Adjustments for capital purposes for this column add in depreciation and impairment and revaluation gains and losses in the services line and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those asset;
- Financing and investment income and expenditure – the statutory charges for capital financing and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices;
- Taxation and non-specific grant income and expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those received in the year to those receivable without conditions or for which conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions were satisfied in the year.

Note 2 – Net change for the pensions' adjustments

Net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension-related expenditure and income:

- For Services – this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past services costs;
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

Note 3 – Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for Council Tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

3. Accounting Standards Issued not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the Council to disclose information relating to accounting standards that have been issued but have not yet been adopted that could have a material impact on the accounts.

For this disclosure the standards introduced by the 2026/27 Code are:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

4. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future that are otherwise uncertain. Estimates are made taking into account professional advice (e.g. actuarial advice), historical experience, current trends and other relevant information. Items included within the Council's Balance Sheet at 31 March 2026 for which there is a risk of material adjustment in the forthcoming year are as follows:

Pension Liability

The value of the pension liability following the application of the asset ceiling, as at 31st March 2026 is £0m. This liability depends on a number of factors, including discount rates, changes in retirement age, mortality rates and expected return on pension's assets. These are determined on an actuarial basis by Hymans Robertson, the actuaries for the Hertfordshire pension fund.

Change in assumptions at 31 March 2026	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£m)
0.1% decrease in Real Discount Rate	2%	2
0.1% increase in the Salary Increase Rate	0%	1
0.1% increase in the Pension Increase Rate	2%	2

The figures in the table above give an indication of the potential impact that a change in assumptions could represent to the value of the pension liability. The figures represent key factors taken in isolation and are only indicative of the estimated impact as the assumptions interact in complex ways. The approach taken is consistent with that adopted to derive the IAS19 figures as per note 33.

Property, Plant and Equipment

The Council's assets are shown in the accounts at either Fair Value, Fair Value (Existing Use) or Market Value (dependent on the class of asset, further information can be found in Note 7). The valuations are carried out by our internal asset management team in accordance with the Royal Institution of Chartered Surveyors (RICS) valuation professional standards and International Financial Reporting Standards (IFRS). These valuations are arrived at using recent comparable transactions and for specialised properties using depreciated replacement cost methodology.

The tables below show the 31 March 2026 value of the assets in the Statement of Accounts, the impact a 5% increase or decrease in asset value would have on the Balance Sheet and the depreciation charged to the Comprehensive Income and Expenditure statement.

	31/03/2026	-5%	Movement	5%	
	Value	Value		Value	Movement
	£000	£000	£000	£000	£000
Other Land & Buildings	149,783	142,293	(7,489)	157,272	7,489
Vehicles, Plant, Furniture & Equip.	30,114	28,608	(1,506)	31,619	1,506
Infrastructure	9,011	8,560	(451)	9,461	451
Community Assets	7,577	7,198	(379)	7,956	379
Surplus Assets	1,633	1,552	(82)	1,715	82
	198,117	188,211	(9,906)	208,023	9,906

Depreciation

	31/03/2026	-5%	Movement	5%	
	Value	Value		Value	Movement
	£000	£000	£000	£000	£000
Other Land & Buildings	43,266	41,103	(2,163)	45,429	2,163
Vehicles, Plant, Furniture & Equip.	20,867	19,823	(1,043)	21,910	1,043
Infrastructure	7,937	7,540	(397)	8,334	397
	72,070	68,466	(3,603)	75,673	3,603

Investment Properties

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. The Council's investment property has been valued as at 31 December 2025 (with a statement of professional opinion given that there has been no material change up to 31 March 2026) by the Council's Estates and Asset Manager, Anna Osborne (MRICS) and Principal Assets and Estates Surveyor Lucy Smith (MRICS) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Non Domestic Rates – Provision for outstanding appeals

Since the Retained Business Rate scheme was introduced on 1st April 2013, Local Authorities have assumed the liability for refunding business rate payers who successfully appeal against the rateable value of their property.

Appeals against the rateable value of a property are lodged by the rate payer with the Valuation Office Agency, who provides information of all the appeals that have been lodged to the Council.

An estimate of the potential impact of successful appeals has been calculated using analysis provided from Inform (a member of the Institute of Rating, Revenues and Valuation) and local knowledge.

The carrying amount of the provision at 31 March 2026 is £1.9m, of which the Council's share of £750k is reflected in the accounts. Higher success rates of appeals could result in a need for a larger provision. An increase of 5% would change the required provision by £95k affecting the surplus/deficit distribution to the Council, Hertfordshire County Council and Central Government.

Debtors - As at 31 March 2026, the authority had a balance of short term debtors of £15.5m. A review of the age and collectability of the debts outstanding has resulted in a bad debt provision of £2.5m. If collection rates were to deteriorate then an additional provision would be required.

5. Adjustments between Accounting Basis and Funding Basis under Regulations

2025/26

Adjustments involving the Capital Adjustment Account:

Reversal of items debited or credited to the Comprehensive Income and Expenditure

Statement:

	General Fund balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Charges for depreciation of non-current assets	4,267	-	-	(4,267)
Revaluation / Impairment on Property Plant and Equipment	(1,559)	-	-	1,559
Movements in the market value of Investment Properties	42	-	-	(42)
Amortisation of intangible assets	138	-	-	(138)
Capital grants and contributions applied	(1,884)	-	-	1,884
Revenue expenditure funded from capital under statute	265	-	-	(265)
Revenue grants written down to the Capital Adjustment Account	-	-	-	0
Disposal of non-current assets	5,488	-	-	(5,488)
Disposal of Investment Properties	-	-	-	0

Insertion of items not debited or credited to the Comprehensive Income and Expenditure

Statement:

Statutory adjustment relating to capital element of principal repayment for finance lease	-	-	-	0
Capital expenditure charged against the General Fund	-	-	-	0

Adjustments involving the Capital Grants Unapplied Account:

Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement

Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	0
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Adjustments involving the Capital Receipts Reserve:

Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement

Use of Capital Receipts Reserve to finance new capital expenditure	-	(5,150)	-	0
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Adjustments involving the Deferred Capital Receipts Reserve:

Statutory adjustment relating to capital element of principal payment for finance lease	2	-	-	(2)
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Adjustments involving the Pensions Reserve:

Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 33)

Employer's pensions contributions and direct payments to pensioners payable in the year	1,589	-	-	(1,589)
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Adjustments involving the Collection Fund Adjustment Account:

Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(311)	-	-	311
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Adjustment involving the Accumulated Absences Account

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements

Total Adjustments	403	0	0	(403)
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2024/25 comparative figure

Adjustments involving the Capital Adjustment Account:

Reversal of items debited or credited to the Comprehensive Income and Expenditure

Statement:

	General Fund balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Charges for depreciation of non-current assets	3,299	-	-	(3,299)
Revaluation / Impairment on Property Plant and Equipment	10,137	-	-	(10,137)
Movements in the market value of Investment Properties	(364)	-	-	364
Amortisation of intangible assets	137	-	-	(137)
Capital grants and contributions applied	(1,977)	-	-	1,977
Revenue expenditure funded from capital under statute	-	-	-	-
Revenue grants written down to the Capital Adjustment Account	-	-	-	-
Disposal of non-current assets	-	-	-	-
Disposal of Investment Properties	-	-	-	-

Insertion of items not debited or credited to the Comprehensive Income and Expenditure

Statement:

Statutory adjustment relating to capital element of principal repayment for finance lease	-	-	-	-
Capital expenditure charged against the General Fund	(3,000)	-	-	3,000

Adjustments involving the Capital Grants Unapplied Account:

Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement

Application of grants to capital financing transferred to the Capital Adjustment Account

Adjustments involving the Capital Receipts Reserve:

Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(372)	372	-	-
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Use of Capital Receipts Reserve to finance new capital expenditure	-	(372)	-	372
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Adjustments involving the Deferred Capital Receipts Reserve:

Statutory adjustment relating to capital element of principal payment for finance lease	2	-	-	(2)
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Adjustments involving the Pensions Reserve:

Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 33)	1,870	-	-	(1,870)
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Employer's pensions contributions and direct payments to pensioners payable in the year	(2,982)	-	-	2,982
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Adjustments involving the Collection Fund Adjustment Account:

Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	973	-	-	(973)
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Adjustment involving the Accumulated Absences Account

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(70)	-	-	70
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Total Adjustments	7,653	0	0	(7,653)
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6. Transfers (to)/from Earmarked Reserves

Amounts appropriated (to) / from reserves are distinguished from service expenditure disclosed in the Statement of Accounts. Reserves include earmarked reserves set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cashflow management.

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide funding for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2025/26.

	Balance 1 April 2024 £000	Transfers Out/(In) 2024/25 £000	Balance 31 March 2025 £000	Transfers Out 2025/26 £000	Transfers In 2025/26 £000	Balance 31 March 2026 £000
General Reserve	(1,103)	133	(970)	668	-	(302)
Interest Equalisation Reserve	(3,257)	1,680	(1,577)	240	-	(1,337)
Insurance Fund	(747)	33	(714)	14	-	(700)
Emergency Planning Reserve	(36)	-	(36)	-	-	(36)
Local Plan Reserve	(62)	-	(62)	21	(400)	(441)
Housing Condition Survey Reserve	(90)	-	(90)	-	-	(90)
Council Elections Reserve	(333)	-	(333)	-	(48)	(381)
Sinking fund - Leisure Utilities / Pension Reserve	(228)	-	(228)	-	-	(228)
Performance Reward Grant Reserve	(10)	-	(10)	10	-	-
Waste Recycling Income Volatility Reserve	(353)	(150)	(503)	331	-	(172)
Footbridge Reserve	(150)	-	(150)	-	-	(150)
DCLG Preventing Repossessions	(18)	-	(18)	18	-	-
New Homes Bonus Priority Spend	(8,869)	3,000	(5,869)	650	-	(5,219)
Collection Fund Reserve	(5,063)	-	(5,063)	133	-	(4,930)
DEFRA Flood Support	(4)	-	(4)	4	-	-
Neighbourhood Planning	(175)	-	(175)	-	-	(175)
IER	(48)	-	(48)	48	-	-
MTFP Transition Funding Reserve	(315)	(11)	(326)	152	-	(174)
Flexible Homelessness Grant	(354)	-	(354)	-	-	(354)
Preventing Homelessness New Burdens Reserve	(31)	-	(31)	-	-	(31)
Healthy Lifestyle Promotions Reserve	(33)	33	-	-	-	-
Land Charges New Burdens	(30)	-	(30)	-	-	(30)
HB Subsidy Volatility Reserve	(100)	-	(100)	100	-	-
Parks & Open Spaces Reserve	(306)	-	(306)	118	-	(188)
Revs & Bens New Burdens Reserve	(300)	-	(300)	-	(21)	(321)
Total	(22,015)	4,718	(17,297)	2,507	(469)	(15,259)

General Reserve	This reserve was established to assist the Council in managing the impact of yearly over and underspends against the revenue budget. £668k was utilised from the reserve in 2025/26.
Interest Equalisation Reserve	This reserve was established to assist the Council in managing the financial implications of adverse interest rate fluctuations. £240k has been utilised from this reserve to offset the loss on property fund investment.
Insurance Fund	Its purpose is to support the Council's insurance and risk management process in anticipation of setting up a self-insurance fund in some areas to reduce future insurance premiums. £14k was utilised in 2025/26.
Emergency Planning Reserve	The reserve was set up to support the work of an Emergency Planning Officer Group that has been established within the Council. There was no call on it in 2025/26.
Local Plan Reserve	This reserve was established to smooth expenditure over the Council's Medium Term Financial Plan (MTFP). £400k was transferred into this reserve in 2025/26 to cover the cost of the work on the Local Plan over the next 3 years, £21k was utilised in 2025/26.
Housing Condition Survey Reserve	This reserve was established to fund House Condition Surveys. There has been no movement on the reserve in 2025/26.
Council Elections Reserve	Established to smooth the cost of Elections over the MTFP. £48k was transferred into this reserve in 2025/26.
Sinking Fund – Leisure Utilities and Pension	Further to the Council awarding a leisure contract to Sports and Leisure Management from January 2020, the Council provided guarantees in respect of utilities and employers pension costs. There was no call on it in 2025/26.
Performance Reward Grant Reserve	The Council received revenue grant funding in respect of the Local Area Agreement (Performance Reward Grant) in 2009/10. Following a review of reserves in 2025/26, the balance on this reserve was transferred leaving no funds in this reserve.
Waste Recycling Income Volatility Reserve	The reserve has been established to manage income volatility in recycling income. £331k of this reserve was utilised in 2025/26 to fund the transition to a new waste contract.
Footbridge Reserve	This reserve was created to manage potential maintenance costs or liabilities that may arise relating to the footbridge over the River Stort. There was no call on the reserve 2025/26.
DCLG Preventing Repossessions	This reserve was established from unspent Government Grant monies. Following a review of reserves in 2025/26, the balance on this reserve was transferred in 2025/26.
New Homes Bonus Priority Spend	This reserve was established from unspent New Homes Bonus monies received from DCLG. In 2025/26, £400k was transferred to the Local Plan reserve, a further £250k was utilised to fund expenditure within net cost of services.

Collection Fund Reserve	This reserve was established to smooth the effect on the Council of income volatility from the Collection Funds. £133k was transferred from this reserve in 2025/26.
DEFA Flood Support for Local Businesses	This reserve was established from the unspent element of a DEFRA grant received to enable the Council to support local businesses to repair damage following the flooding in 2013/14. Following a review of reserves in 2025/26, the balance on this reserve was transferred to R&B new burdens reserve.
Neighbourhood Planning Grant	Created from unspent Neighbourhood Planning grant received from MHCLG to fund future spend. There has been no call on this reserve in 2025/26.
IER Grant	This reserve was created from unspent grant monies received from the Cabinet Office to fund the costs of additional work involved in the Individual Electoral Registration Scheme. Following a review of reserves in 2025/26, the balance on this reserve was transferred to Council election reserve.
MTFP Transition Funding Reserve	A new reserve established in 2016/17 to fund changes across MTFP (Medium Term Financial Plan) periods. £152k was transferred from this reserve in 2025/26, this funded one-off costs incurred in year.
Flexible Homelessness Grant	Established from unspent Government Grant monies specifically to prevent and deal with homelessness. No call on this reserve in 2025/26.
Preventing Homelessness New Burdens	This reserve contains unspent Government Grant to deal with Homelessness, to be utilised in future years towards the cost of dealing with homelessness. There was no call on this in 2025/26.
Healthy Lifestyle Promotions	A reserve created in 2018/19 from unspent grant monies received to promote healthy living. This reserve was fully utilised in 2024/25.
Land Charges New Burdens	This reserve was created from unused government grant received to cover costs of transferring the local land charges register to HM Land Registry. There has been no call on this in 2025/26.
HB Subsidy Volatility Reserve	This reserve was created to manage the financial implications of fluctuations in Housing Benefit subsidy. This has been fully utilised in 2025/26.
Parks & Open Spaces Reserve	A reserve created in 2021/22 from unspent contribution to be used to fund future works. £118k of this reserve was utilised in 2025/26.
Revs & Bens New Burdens	A reserve established in 2021/22 from unspent Government Grant monies. Following a review of reserves, £21k was transferred into this reserve in 2025/26.

7. Property, Plant & Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price;
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

The Council capitalises borrowing costs incurred whilst assets are under construction. Assets are then carried on the Balance Sheet using the following measurement bases:

- Operational non-specialised property – fair value based on existing use value. The multi-storey car parks and surface car parks have been valued using the Existing Use Valuation method on the basis of income & expenditure, profit information;
- Operational specialised property (inc leisure centres and BEAM) – depreciated replacement cost (DRC);
- Community assets – nominal value or historical cost;
- Infrastructure and all other assets – depreciated historical cost;
- Surplus assets - fair value, estimated at highest and best use from a market participant's perspective.

In the event of a future disposal, the market value at that time may realise more or less than the carrying value. Since April 2016, the Council has revalued its assets on an annual basis (formerly four year rolling basis). Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

The Valuations were carried out by the Council's Estates and Asset Manager, Anna Osborne (MRICS) and Principal Assets and Estates Surveyor Lucy Smith (MRICS) on the basis of standards of professional practice set out in the guidance below:

- '- Royal Institution of Chartered Surveyors (RICS) Valuation - Professional Standards ('The Red Book')
- International Financial Reporting Standards (IFRS)
- Chartered Institute of Public Finance and Accounting Code of Practice on Local Authority Accounting ('The CIPFA Code')

The valuer has arrived at their opinion of Fair Value, Fair Value (Existing Use) and Market Value from referring to recent comparable transactions. For specialised properties, the Fair Value (Existing Use) has been derived using Depreciated Replacement Cost methodology.

Where decreases in value are identified, they are accounted for:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account. The current asset values used in the accounts are based upon a certificate issued by the Council's Asset & Estates Manager, Anna Osborne MRICS and Lucy Smith MRICS as at 31 March 2026. Property, Plant and Equipment are classified in the Balance Sheet in line with current Accounting Codes of Practice.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, writing down the carrying amount of the asset against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or an insufficient balance, writing down the carrying amount of the asset against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

All Property, Plant and Equipment, other than freehold land and Community Assets (with the sole exception being recreational facilities with a building element) are depreciated on a straight line basis over the period of the assets useful economic life. The following periods are used:

Freehold Land	No depreciation
Council Buildings	20 to 60 years
Infrastructure	10 to 20 years
Equipment, Furniture and Fittings	5 to 20 years
Community Assets	No depreciation (30 years for exceptions)
Non-operational assets	40 to 60 years
Enhancement to Leased Properties	10 to 25 years
Plant	20 to 35 years

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Componentisation

In line with accounting requirements, the Council considers the identification of individual asset components on a prospective basis following either the enhancement of an asset or its revaluation. The Council has determined that it will adopt a de-minimis value of £1m for individual assets.

Disposals

When an asset is disposed of, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The gain or loss on disposal is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are transferred from the General Fund Balance in the Movement in Reserves Statement to the Capital Adjustment Account (the carrying amount of the asset) and the usable Capital Receipts Reserve (the disposal proceeds).

Property, Plant & Equipment

Cost or Valuation	Other Land & Buildings	Vehicles, Plant, Furniture & Equip.	Infrastructure	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000
2024/25							
As at 01/04/2024	126,674	22,076	8,633	6,716	4,886	31,328	200,313
Additions	42	393	345	896	40	5,068	6,783
Disposals	-	-	-	-	-	-	-
Reclassifications	32,105	-	-	(40)	(3,191)	(32,802)	(3,927)
Revaluations	(8,505)	-	-	-	5	-	(8,500)
Total as at 31/03/2025	150,316	22,469	8,978	7,572	1,739	3,595	194,668

2025/26							
As at 01/04/2025	150,316	22,469	8,978	7,572	1,739	3,595	194,668
Additions	239	7,645	33	9	-	137	8,063
Disposals	(720)	-	-	-	-	-	(720)
Reclassifications	(233)	-	-	(4)	(320)	-	(557)
Revaluations	181	-	-	-	214	-	395
Total as at 31/03/2026	149,783	30,114	9,011	7,577	1,633	3,732	201,849

Depreciation & Impairment

2024/25							
As at 01/04/2024	36,821	20,191	7,493	91	-	-	64,596
Charge for Year	2,741	342	215	-	-	-	3,298
Acc depreciation w/o on revaluation	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Impairment (reversal) recognised in the service	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Total as at 31/03/2025	39,562	20,533	7,708	91	0	0	67,894

2025/26							
As at 01/04/2025	39,562	20,533	7,708	91	-	-	67,894
Charge for Year	3,704	334	229	-	-	-	4,267
Acc depreciation w/o on revaluation	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Impairment (reversal) recognised in the service	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Total as at 31/03/2026	43,266	20,867	7,937	91	0	0	72,161

Net Book Value

Balance Sheet as at 31/03/25	110,754	1,936	1,270	7,481	1,739	3,595	126,775
Balance Sheet as at 31/03/26	106,517	9,247	1,074	7,486	1,633	3,732	129,689

Reconciliation of Additions in the year to Capital Spend

	2025/26	2024/25
	£000	£000
Additions in the year (as above)	8,063	6,782
Intangible assets	298	198
Investment Properties	-	-
	8,361	6,980
REFCUS	265	0
plus CERA (not included in note 7)	-	84
Total Capital Spend	8,626	7,064

8. Analysis of Fixed Assets

	31 March '26 Number	31 March '25 Number
Council Dwellings - Hostels	3	4
- Houses	2	2
Council Offices - Freehold	1	1
- Leasehold	1	1
Service Centre - Leasehold	1	1
Off-Street Car Parks (incl. Leasehold)	35	35
Swimming Pools (including 3 joint-use pools)	2	5
Parks and Recreation Grounds/Open spaces	226Ha	226Ha
Public Halls/Community Centres (incl leasehold)	7	7
Commercial Property Rented Out	45	47
Land Awaiting Development	1.24Ha	1.24Ha
Public Convenience	2	2

9. Heritage Assets

In line with the 2012 Code and FRS 30, the Council has identified a number of assets that meet the definition of a heritage asset and are being preserved in trust for future generations because of their cultural, environmental or historical associations.

The Council's policy is to maintain Heritage assets in order to preserve them for future generations because of their cultural and historical associations. The Council does not consider that a commercial value can be placed upon these assets and its policy is, therefore, not to disclose them on the balance sheet. They continue to be included within community assets with a nominal value. The assets are insured in order to protect the Council's interest in the event of damage or destruction.

The Heritage assets held within Community assets at a nominal sum are as follows; there is no value held for these assets.

- The Castle Wall (ancient flint), Hertford
- Monument, remains of Church of St Mary's, Old Cross
- Community land Obelisk, Bishop's Stortford
- Flowing River Sculpture, Bishop's Stortford
- Evolution sculpture at Hartham Common
- Hertford Theatre Wall Bronze Resin Sculpture
- Civic Regalia
- Oil Painting of Wallfields, Hertford
- Chainsaw sculpture Pishiobury Park, Sawbridgeworth

10. Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rents received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve (for any sale proceeds greater than £10,000).

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2025/26 £000	2024/25 £000
Rental income from investment property	(348)	(432)
Direct operating expenses arising from investment	376	320
Net (gain)/Loss	28	(112)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct, enhance or develop investment property. In some cases, the Council has repairing obligations which are met through revenue expenditure.

Authorities shall account for investment property in accordance with IAS 40 Investment Property and should be valued to 'Fair Value'.

Investment property is recognised at cost, including transaction costs but excluding operational components (PPE) where these can be measured reliably. Following recognition investment property is revalued on a fair value basis reflecting market state and circumstances on a given date.

The objective of this measurement approach is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under the current market conditions.

The following table summarises the movement through additions and re-classification of investment properties over the year:

	2025/26 £000	2024/25 £000
Balance at start of the year	4,292	7,854
Additions: Not transferred through re-classification	-	-
Additions: Transferred through re-classification	-	-
Disposals : Transferred through re-classification	-	(3,925)
Net gains / (losses) from fair value adjustments	(42)	363
Balance at end of the year	4,250	4,292

In addition to arriving at the fair values for the assets, IFRS 13 seeks to increase consistency and comparability within the valuation process which has been achieved through a 'fair value hierarchy'.

Fair Value Hierarchy

All the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes.

Valuation Techniques Used to Determine Level 2 Values for Investment Property

The fair value of investment property has been based on the market approach using current market conditions and recent sales prices, existing lease terms and rentals and other relevant information for similar assets in the local authority area. Market conditions for these asset types are such that the level of observable inputs are significant leading to the properties being categorised at Level 2 in the fair value hierarchy.

There has been no change in the valuation techniques used during the year for investment properties.

Highest and Best Use

In estimating the fair value of the Council's investment properties, the highest and best use is their current use.

Valuation Process for Investment Properties

The Council's investment property has been valued as at 31 December 2025 (with a statement of professional opinion given that there has been no material change up to 31 March 2026) by the Council's Estates and Asset Manager, Anna Osborne (MRICS) and Principal Assets and Estates Surveyor Lucy Smith (MRICS) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

11. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. In addition, the Council has agreed that all software will be treated as intangible assets.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation is not permitted to have an impact on the General Fund Balance. This is therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful life assigned to the major software applications used by the Authority is 5 years. The movement on Intangible Asset balances during the year is as follows:

	2025/26			2024/25		
	Software £000	Other Intangible £000	Total £000	Softwar e £000	Other Intangible £000	Total £000
Balance at start of year:						
Gross carrying amounts	6,358	-	-	6,159	-	6,159
Accumulated amortisation	(6,099)	-	(6,099)	(5,960)	-	(5,960)
Net carrying amount at start of	259	-	(6,099)	199	-	199
Additions:						
Purchases	297	-	297	199	-	199
Amortisation for the period	(137)	-	(137)	(139)	-	(139)
Net carrying amount at end of year	419	-	(5,939)	259	-	259
Comprising:						
Gross carrying amounts	6,655	-	6,655	6,358	-	6,358
Accumulated amortisation	(6,236)	-	(6,236)	(6,099)	-	(6,099)
	419	-	419	259	-	259

12. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at: amortised cost, fair value through profit or loss (FVPL), and fair value through other comprehensive income (FVOCI). The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified at amortised cost, except for those whose contractual payments are not solely payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Soft Loans

The Code requires that a discounted interest rate be recognised as a reduction in the fair value of the asset. Potential Council loans falling within this category relate to an assisted car purchase scheme and a cycle scheme. The Council currently has no loans under its assisted car purchase scheme and the amount advanced under the cycle scheme is considered immaterial.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services. The fair value measurements of the financial assets are based on the following techniques: instruments with quoted market prices – the market price Other instruments with fixed and determinable payments – discounted cash flow analysis.

Financial Assets Measured at Fair Value through Other Comprehensive Income

These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are accounted for through a reserve account, with the balance debited or credited to the Comprehensive Income and Expenditure Statement when the asset is disposed of. The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date;
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly;
- Level 3 inputs – unobservable inputs for the asset.

Financial Guarantees

The Code includes a requirement for financial guarantees to be recognised at fair value and charged to the Comprehensive Income and Expenditure Statement (amortised over the life of the guarantee). The levels of liability assessed at March 2026 are regarded as non material and therefore the accounting requirement has not been followed in respect of these guarantees. The Council has determined to set aside a reserve against potential liabilities under these guarantees as set out in Note 6 to the Notes to the Core Statements.

No other financial guarantees were identified in 2025/26.

Financial Instruments Balances

	Non-Current		Current	
	31 March '26 £000	31 March '25 £000	31 March '26 £000	31 March '25 £000
Financial Assets				
Investments				
At amortised cost - principal amount	-	-	-	-
- accrued interest	-	-	-	-
Fair Value through other comprehensive income - designated equity instruments	-	9,662	23	903
- accrued interest	-	-	-	-
Total Investments	-	9,662	23	903
Cash & Cash Equivalents				
At amortised cost - principal amount	-	-	21,144	21,294
At amortised cost - accrued interest	-	-	-	-
Total Cash & Cash Equivalents	-	-	21,144	21,294
Debtors				
Financial Assets at amortised cost	3,330	3,530	15,453	16,575
Less Non Financial Instruments Assets	-	-	(6,274)	(6,932)
Total Debtors	3,330	3,530	9,179	9,643
Total Financial Assets	3,330	13,192	30,346	31,840
Financial liabilities				
Borrowing				
At amortised cost	(1,500)	(1,500)	(57,500)	(63,000)
At amortised cost - accrued interest	-	-	-	-
Creditors	-	-	(14,667)	(17,592)
Non Financial instruments Liabilities	-	-	2,970	4,443
Total Financial liabilities	(1,500)	(1,500)	(69,197)	(76,149)

The portion of long-term liabilities and investments due to be settled within 12 months of the Balance Sheet date are presented in the Balance Sheet under 'current liabilities' or 'current assets'. This would include accrued interest on long term liabilities and investments that are payable/receivable in 2025/26.

Available for Sale Financial Assets are measured at fair value on a recurring basis. The valuation techniques used to measure them maximise the use of relevant observable inputs and minimise the use of unobservable inputs and are categorised as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability.

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	2025/26 £000	2024/25 £000
Property Funds	Level 1	Unadjusted quoted prices in active	23	10,565
Balance at end of the year			23	10,565

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between input levels 1 and 2 during the year

The Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value disclosures are required)

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets represented by loans and receivables and long term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments (Level 2), using the following assumptions:

- For loans from the PWLB payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price.
- For non-PWLB loans payable, PWLB premature repayment rates have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;

Financial Liabilities - fair value

	Input level in fair value hierarchy	Valuation technique used to measure fair value	2025/26 £000	2024/25 £000
Long Term Borrowing	Level 2	premature repayment rates	(2,095)	(2,135)
Short Term Borrowing			(58,141)	(63,412)
Balance at end of the year			(60,236)	(65,547)

Financial Instrument Revaluation Reserve

For financial instruments, there is a reserve to help manage the accounting requirements, the Financial Instruments Revaluation Reserve. This records unrealised revaluation gains/losses arising from holding available-for-sale investments and any unrealised losses that have not arisen from impairment of the assets. The table below sets out the transactions for the year:

	2025/26 £000	2024/25 £000
Balance at 1 April	(132)	(2,160)
Upward revaluation of investments	-	-
Downward revaluation of investments not charged to the Surplus/Deficit on the provision of Services	132	219
Accumulated Gains on assets sold and maturing assets written out to CI&E as part of Other Investment Income	-	1,809
	-	(132)

13. Financial Instruments Gains / Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Account in relation to financial instruments are made up as follows:

	2025/26		2024/25	
	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000
Net (gains) / losses on				
Financial Assets measured at fair value through profit or loss	-	-	-	-
Financial assets measured at amortised cost	-	-	-	-
Investments in equity instruments designated at fair value through other comprehensive income	-	132	-	219
Financial liabilities measured at fair value through profit or loss	-	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
Total net (gains)/losses	-	132	-	219
Interest Revenue				
Financial Assets measured at amortised cost	(1,444)	-	(1,289)	-
Other financial assets measured at fair value through other comprehensive income	(61)	-	(440)	-
Total interest revenue	(1,505)	-	(1,729)	-
Interest Expense				
Fee income:				
Financial assets or financial liabilities that are not at fair value through profit or loss	4	-	106	-
Fee expense:				
Financial assets or financial liabilities that are not at fair value through profit or loss	3,083	-	2,369	-
Total interest expense	3,087	-	2,475	-

14. Fair Value of Assets and Liabilities carried at Amortised Cost

Financial assets (represented by lending and receivables) and financial liabilities (represented by borrowings) are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instrument, using the following assumptions:

- Arlingclose has provided the Fair Value Calculation for the loans and investments.
- No early repayment or impairment is recognised.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount
- Where the instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value.

The fair values are calculated as follows:

	31st March 2026		31st March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Financial Liabilities	(70,696)	(71,932)	(74,649)	(78,696)

	31st March 2026		31st March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Loans and Receivables	38,332	36,676	48,933	47,071

For financial liabilities, the fair value is more than the carrying amount because the Council's portfolio of loans comprises fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date. The commitment to pay interest above current market rates increases the amount that the Council would have to pay if the lender requested or agreed to early repayment of the loans. The fair value is greater than the carrying amount due to the Council's investment in Property Funds. The Fund value per unit, less the exit fee, is higher than price paid.

15. Debtors

Short Term Debtors	31 March '26	31 March '25
	£000	£000
Central government bodies	3,066	1,343
Other local authorities	5,364	5,184
Bodies external to general government (ie all other bodies)	9,524	13,080
Bad debt provision	(2,501)	(3,032)
	15,453	16,575

Long Term Debtors	31 March '26	31 March '24
	£000	£000
Bodies external to general government (ie all other bodies)	3,330	3,530
	3,330	3,530

16. Cash and Cash Equivalents

	31 March '26	31 March '24
	£000	£000
Short-term deposits with banks	21,143	21,294
Total Cash and Cash Equivalents	21,143	21,294

17. Assets Held for Sale

Assets held for sale as at 31 March 2026 include, 1 link Road (Bishops Stortford), land at Waitrose & Causeway (Bishops Stortford) and Rapier House (Ware).

Assets Held for Sale	31 March '26	31 March '25
	£000	£000
Balance at start of the year	12,294	4,441
Additions	-	-
Disposals	-	-
Disposals	(4,768)	-
Re-Classifications	557	7,853
	8,083	12,294

18. Creditors

Short Term Creditors	31 March '26	31 March '25
	£000	£000
Central government bodies	(3,538)	(4,546)
Other local authorities	(876)	(1,035)
Bodies external to general government (ie all other bodies)	(10,253)	(12,011)
	(14,666)	(17,592)

19. Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year - where it becomes less than probable that a transfer of economic benefits will now be required the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

The provision held for Non Domestic Rate appeals is charged as an expense to the relevant collection fund in the first instance. This charge either reduces the Council's surplus or increases the deficit due from the collection fund. These amounts are included in the Taxation and Non-specific Grant income section on the Comprehensive Income and Expenditure Statement.

A new provision was created in 2024/25 to recognise a potential loss in value on redemption of the units that the Council holds in a property fund. The expense has been charged to the Financing and Investment section on the Comprehensive Income and Expenditure Statement. This provision was fully utilised in 2025/26.

	Current Liabilities		Long Term Liabilities	
	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000
Balance at 1 April	2,106	249	995	997
Additions/Reductions	81	1,915	325	230
Amounts used	(2,185)	(59)	(1,312)	(237)
Transferred	148	1	592	5
Balance at 31 March	150	2,106	600	995

20. Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement, Note 5 Adjustments between accounting basis and funding basis under regulations and Note 6 Transfers to/from Earmarked Reserves.

21. Unusable Reserves

	31 March £000	31 March '25 £000
Revaluation Reserve	29,411	32,128
Financial Instruments Revaluation Reserve	-	(132)
Capital Adjustment Account	52,649	51,445
Deferred Capital Receipts Reserve	137	139
Pensions Reserve	-	(9,111)
Collection Fund Adjustment Account	(172)	(482)
Accumulated Absences Account	(230)	(207)
Total Unusable Reserves	81,795	73,780

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2025/26 £000	2024/25 £000
Balance at 1 April	32,128	31,032
Downward/Upward revaluation of assets	(1,560)	10,150
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	395	(8,500)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(1,165)	1,650
Difference between fair value depreciation and historical cost depreciation	(566)	(554)
Amount written off to the capital adjustment account	(986)	0
Balance at 31 March	29,411	32,128

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains/losses made by the Council arising from increases/decreases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are revalued downwards or impaired and the gains are lost or disposed of and the gains are realised.

	2025/26		2024/25
	£000	£000	£000
Balance at 1 April		(132)	(2,160)
Upward revaluation of investments			
Downward revaluation of investments not charged to the Surplus/Deficit on the provision of Services	-		219
Accumulated gains on assets sold and maturing assets written out to the Comprehensive Income and Expenditure Statement as part of Other Investment Income		132	1,809
Balance at 31 March		-	(132)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 5 provides details of the source of all transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2025/26		2024/25
	£000	£000	£000
Balance at 1 April		51,445	57,999
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:			
· Charges for depreciation of non current assets	(4,405)		(3,298)
· Charges for depreciation on revalued assets	566		554
· Movements in the market value of investment properties	(42)		364
· Revaluation/Impairment on Property, Plant and Equipment	1,571		(10,136)
· Amortisation of intangible assets	-		(138)
· Revenue expenditure funded from capital under statute	(265)		-
· Revenue grants written down to the Capital Adjustment Account	1,884		1,977
· Disposal of non-current assets	(4,502)		-
· Minimum Revenue Position	1,431		751
· Adjusting amounts written out of Revaluation Reserve	(185)		-
		(3,947)	(9,926)
Capital financing applied in the year:			
· Use of the Capital Receipts Reserve to finance new capital expenditure	5,151		372
· Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	-		3,000
· Application of grants to capital financing from the Capital Grants Unapplied Account	-		-
· Capital expenditure charged against the General Fund	-		-
		5,151	3,372
Balance at 31 March		52,649	51,445

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2025/26 £000	2024/25 £000
Balance at 1 April	(9,111)	5,250
Actuarial gains or (losses) on pensions assets and liabilities	3,944	(15,484)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	8,127	4,265
Employer's pensions contributions and direct payments to pensioners payable in the year	(2,960)	(3,142)
Balance at 31 March	-	(9,111)

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2025/26 £000	2024/25 £000
Balance at 1 April	139	142
Transfer to the General Fund for the capital element of finance lease payments	(2)	(3)
Balance at 31 March	137	139

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and Non Domestic Rates income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax and Non Domestic tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2025/26 £000	2024/25 £000
Balance at 1 April	(482)	491
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax and Non Domestic Rate income calculated for the year in accordance with statutory requirements	310	(973)
Balance at 31 March	(172)	(482)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2025/26 £000	2024/25 £000
Balance at 1 April	(207)	(276)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(23)	69
Balance at 31 March	(230)	(207)

22. Nature of Expenses Disclosure

	2025/26 £'000	2024/25 £'000
Employee Benefits Expenses	18,013	18,256
Other Service Expenses	32,706	27,366
Housing Benefits Transfer Payments	16,765	21,333
Depreciation, amortisation and impairment	3,125	13,729
Precepts and levies	6,775	6,045
Interest payments	3,083	2,368
Changes in fair value of Investment Properties	42	-
Minimum revenue Provision	1,431	751
Loss on disposal on non current assets	338	-
Net interest on the net defined benefit liability & remeasurement of the defined benefit liability for long term employee benefits	452	-
Other Expenditure	448	1,857
Total Expenditure	83,178	91,705
Net interest on the net defined benefit liability & remeasurement of the defined benefit liability for long term employee benefits	-	(491)
Fees charges and other service income	(28,666)	(23,939)
Government grants	(28,402)	(32,529)
Interest and investment income	(1,505)	(1,730)
Income from council tax and non-domestic rates	(20,279)	(17,933)
Gain on disposal of non current assets	-	(372)
Changes in fair value of Investment Properties	-	(364)
Recognised capital grants and contributions	(1,884)	(1,977)
Total Income	(80,737)	(79,335)
(Surplus)/Deficit on Provision of Services	2,441	12,371

23. Jointly Controlled Operations

The Council operates four services under a 'Jointly Controlled Operation' arrangement:

- Revenues and Benefits Service, with Stevenage Borough Council which commenced on 1st August 2011
- IT Services, with Stevenage Borough Council, which commenced on 1 August 2013
- Waste and Street Cleansing Service, with North Herts District Council, which commenced on 8 May 2018 and
- Hertfordshire CCTV partnership, with Stevenage Borough Council, North Hertfordshire Council, East Hertfordshire Council and Hertsmere Borough Council. Each member of the arrangement accounts for their share of the asset, liabilities and cash flows of the CCTV in their own accounts. This is considered de minimis and not included in the table below.

The Council is lead authority for the Revenues and Benefits shared service and Stevenage is lead for the IT service and North Herts is lead for the Waste and Street Cleansing service. All three arrangements are governed by separate Joint Partnership Boards comprising of Council officers. Each authority has equal representation on both Boards. These Boards report to each Authority's Executive Committee. The Revenues and Benefits Shared Service also operates a joint Committee with equal numbers of Councillors from both Authorities to scrutinise the operational management of the service.

In line with the Accounting Code of Practice, this arrangement is accounted for as a jointly controlled operation. A jointly controlled operation uses the assets and resources of the two partner councils without the establishment of a separate legal entity. Under these arrangements, each council accounts separately for its own transactions including use of assets, liabilities, income, expenditure and cash flows.

This note sets out details of the income & expenditure of the joint arrangements and the apportionments between the councils in accordance with the agreement entered into. For information purposes only and where relevant, other notes to the accounts show amounts relating to these arrangements.

	2025/26			2024/25		
	Waste and Street Cleansing Service	IT Services	Revenues & Benefits Service	Waste and Street Cleansing Service	IT Services	Revenues & Benefits Service
	£000	£000	£000	£000	£000	£000
Expenditure						
Employees	631	2,182	3,540	592	1,763	3,531
Transport Related Expenses	52	46	10	7	33	9
Supplies and Services	16	2,222	400	30	1,952	315
Support Services	-	584	1,372	-	469	1,354
Total Expenditure	699	5,034	5,321	630	4,217	5,209
Income						
Stevenage Borough Council	-	2,441	2,198	-	2,536	2,086
East Herts District Council	343	2,594	3,123	313	1,681	3,123
North Herts District Council	356	-	-	317	-	-
Total Income	699	5,034	5,321	630	4,217	5,209
Net Expenditure	-	-	-	-	-	-

The contribution made by the Council has been incorporated into the Comprehensive Income and Expenditure Statement in the Net Costs of Service.

The Council partnered with 7 other local authorities across Hertfordshire to create a fully integrated building control service, which was launched in August 2016. An additional local authority joined in 2019, so eight local authorities have equal control. The Council holds 13% of the share capital (£8) and is represented on the board. The company aims to provide a more flexible and efficient response to building control issues across the county. In 2016/17 the Council made a loan to the company of £107k, in 2025/26 £25k or this loan was repaid, the balance of £82k is held under Long Term Debtors on the balance sheet.

24. External Audit Costs

This note discloses the amounts that East Herts Council has paid to its external auditors for work carried out in performing statutory functions and in providing any additional services.

In 2025/26 East Herts Council incurred the following fees relating to external audit and inspection:

	2025/26 £000	2024/25 £000
Fees payable to Azets with regard to external audit services carried out by the appointed auditor	186	181
Fees payable to Azets for the certification of grant claims and returns	28	28
	214	209

*PSAA - Public Sector Audit Appointments

25. Members Allowances

The total payments made to elected Members of East Herts Council, under its Members' Allowance Scheme for the year ending 31 March, was as follows:

	2025/26 £000	2024/25 £000
Basic Allowances	283	284
Special Responsibility Allowances	145	146
Travel and Subsistence expenses	1	1
	428	431

A full disclosure of payments is available on the Council's website.

26. Officer Emoluments

The number of employees, excluding senior officers disclosed in note 28, whose remuneration, was £50,000 or more in bands of £5,000 are shown below. The previous year has been restated to exclude officers disclosed in note 28.

Remuneration Band	Number of Employees	
	2025/26 Total	2024/25 Total
£50,000 to £54,999	18	18
£55,000 to £59,999	5	11
£60,000 to £64,999	13	6
£65,000 to £69,999	6	5
£70,000 to £74,999	2	2
£75,000 to £79,999	-	-
£80,000 to £84,999	-	-

27. Exit Packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other departures are set out in the table below.

Exit package cost band (including special payments)	Number of Redundancies		Number of other departures		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
£							£	£
0-20,000	7	2	-	6	7	8	35,571	66,017
20,001-40,000	-	2	-	-	-	2	-	62,249
40,001-60,000	1	1	-	-	1	1	44,810	48,585
60,001-80,000	-	-	-	-	-	-	-	-
80,001-100,000	-	-	-	1	-	1	-	91,873
100,001-150,000	-	-	-	-	-	-	-	-
Total	8	5	-	7	8	12	80,381	268,724

28. Senior Officer Remuneration

An additional disclosure is required for Senior Officer's Remuneration (the Chief Executive and those reporting directly to the Chief Executive), whose salary is more than £50,000 per year:

	Salary (inc expense allowance) £	Expenses Allowances £	Total Remuneration excl. pension contributions £	Pension Contributions £	Total Remuneration incl. pension contributions £
2025/26					
Chief Executive	145,449	-	145,449	28,586	174,035
Director of Legal, Policy & Governance	100,950	-	100,950	19,890	120,841
Director of Communities	91,957	-	91,957	18,207	110,164
Director of Regeneration, Cust & Commercial	90,457	-	90,457	17,910	108,367
Director of Place	96,090	-	96,090	19,026	115,116
Director of Finance	100,457	-	100,457	19,890	120,347

2024/25

Chief Executive - Left part way through the year	60,978	-	60,978	11,864	72,841
Chief Executive - Deputy	123,789	-	123,789	24,510	148,299
Director of Legal, Policy & Governance	92,243	-	92,243	18,264	110,507
Director of Communities	86,758	-	86,758	17,178	103,936
Director of Regeneration, Cust & Commercial	85,355	-	85,355	16,703	102,058
Director of Place	82,243	-	82,243	16,284	98,527
Director of Finance - Left part way through the year	61,876	-	61,876	12,252	74,128
Director of Finance - Interim (Agency) - Nov 24 - Apr 25	78,216	-	78,216	-	78,216
* Interim Head of Revenues & Benefits Shared Service	66,290	-	66,290	13,126	79,416
* Head of HR & Organisational Development - Started from June 2024	58,239	-	58,239	11,531	69,771
* Head of Operations - Left towards the end of the year	75,264	-	75,264	-	75,264

During 2025-26, there was a restructure of the Leadership Team which resulted in a reduction of roles that report to the Chief Executive. The 2024-25 figures have been reproduced in the new structure for ease of comparison. Three roles that would have reported to Chief Executive under the previous structure are noted at the bottom with an asterisk *

29. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2025/26:

	2025/26 £000	2024/25 £000
Credited to Taxation and Non Specific Grant Income		
Council Tax	19,994	18,845
Non-Domestic Rates & Section 31 Business Rate Support	5,182	4,844
New Homes Bonus	1,193	1,697
Other Capital Grants	1,884	1,977
Other Revenue Grants	844	625
Renewable Energy	118	91
	29,215	28,079
Credited to Services		
<u>Grants</u>		
DWP	17,250	22,010
MHCLG	1,830	2,286
Cabinet Office	1	-
DEFRA	2,058	27
DESNZ	45	-
Home Office	89	65
HM Land Registry	7	-
Rural Protection Agency	47	-
Department of Education	23	15
	21,350	24,403
<u>Other Contributions</u>		
Contributions from Other Authorities*	3,140	3,570
Income from Other Bodies	4,492	2,097
	7,632	5,667

* includes the contribution from Stevenage Borough Council for the Shared Revenues and

The Council has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the funding body if not used for the purpose provided. The balances at year end are as follows:

	2025/26 £000	2024/25 £000
Grants Receipts in Advance		
Capital		
Other Capital Grants	351	1,869
Developer Contributions	2,204	1,999
	2,555	3,868
Revenue		
Developer Contributions	8,890	5,915
Other Revenue Grants	88	278
	8,978	6,193

30. Related Party Transactions

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made.

Related parties to this authority would include:

Central government; local authorities and other bodies precepting or levying demands on the Council Tax; its members; its chief officers; and its pension fund. Members of close family, or the same household of an individual identified as a related party are also assumed to be related parties.

All significant material transactions with related parties, such as parish precepts, precepts, pension fund contributions etc, have been disclosed in the Comprehensive Income and Expenditure Statement.

The UK government exerts significant influence through legislation and grant funding, which has been disclosed in the Comprehensive Income and Expenditure Statement.

Two senior officers of the Council held a position of director at Millstream Property Investments Ltd in 2025/26, a wholly-owned company by East Herts. The Council has advanced loans to this company and receives annual income of £136k in interest.

A senior officer of the Council held a position of Director at Hertfordshire CCTV Partnership Ltd. The Council paid this company £32k during 2025/26

A number of District Council members are also members of Town and Parish Councils that receive funding from this Council. Precept payments are disclosed in the Comprehensive Income and Expenditure Statement. Any grants made to these bodies were made with proper consideration of declarations of interest.

Hertfordshire County Council is a related party in respect of various transactions including pension's contributions and precepts. Additionally they act as the "accountable body" for the Hertfordshire Local Area agreement.

Shown in the Balance Sheet are totals for debtors and creditors which represent amounts due to or from related parties. The principal year end balances with related parties included in these totals are shown within Notes 15 & 18.

31. Capital Expenditure and Capital Financing

	2025/26 £000	2024/25 £000
Opening Capital Financing Requirement	61,806	60,939
Capital investment		
Property, Plant & Equipment	7,884	435
Infrastructure	33	345
Community Assets	9	895
Intangible Assets	298	199
Assets Under Construction	138	4,727
Revenue Expenditure Funded from capital under Statute	265	84
Surplus	-	40
Capitalisation of interest	-	340
Sources of finance		
Capital receipts	(5,150)	(372)
Government grants and other contributions	(1,884)	(1,977)
Sums set aside from Revenue:		
Direct revenue contributions	-	(3,098)
Minimum Revenue Provision	(1,431)	(751)
Loan/ finance lease principal repayments	-	-
Closing Capital Financing Requirement	61,968	61,806
Explanation of movements in year		
Increase in underlying need to borrowing (unsupported by government financial assistance)	(162)	(867)
Decrease in Surplus in Capital Resource	(162)	(867)

32. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment (embedded leases) are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as a Lessor

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment applied to write down the lease liability, and

a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

Depreciation is applied in the year of acquisition.

The Council is not required to raise council tax to cover depreciation, impairment and gains and losses on revaluation arising on leased assets. Any such costs that have been charged to the Surplus or Deficit on the Provision of Services are not proper charges to the General Fund. Such amounts are transferred to the Capital Adjustment Account and reported in the Movement in Reserves Statement.

Operating Leases

Rents paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease.

The Council as a Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Investment Properties) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and

- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement.

Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Finance leases

As at 31 March 2026, the Council did not hold any leases that fell into the category of a finance lease.

Council as a lessee

Operating leases

The Council leases the Buntingford Service Centre.

The future minimum lease payments due under non-cancellable leases in future years are:

	31 March '26 £000	31 March '25 £000
Not later than one year	361	300
Later than one year and not later than five years	1,382	1,200
Later than five years	3,600	3,900
	5,343	5,400

The expenditure charged to Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2025/26 £000	2024/25 £000
Minimum lease payments	361	300
Lease payments receivable	-	-
	361	300

Council as a lessor

Finance leases

The Council leases out Pindars Lodge.

Following the introduction of IFRS 1 and this asset's transfer from an operating lease to finance lease, a lease term of 50 years from March 1997 was set.

The Council has a gross investment in the lease, made up of the minimum lease payments expected to be received over the remaining term. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Council in future years whilst the debtor remains outstanding. The gross investment is made up of the following amounts:

	2025/26 £000	2024/25 £000
Finance lease debtor as at 31 March	137	139
Unearned finance income	156	167
Gross investment in lease as at 31 March	293	306

The gross investment in the lease which are the minimum lease payments, will be received over the following periods:

	Gross investment in lease 31 March '26	Gross investment in lease 31 March '25
	£000	£000
Not later than 1 year	14	14
Later than 1 year and not later than 5 years	56	56
Later than 5 years	223	236
	293	306

Operating Leases

The council receives income from a variety of properties ranging from Industrial and Commercial ground leases, to a small number of commercial premises including shops and other miscellaneous properties. Each is subject to individual agreements and reviews. The terms are dependent upon a number of criteria; the corporate priorities of the Council, options that are available, historic and legal agreements. The future minimum lease payments receivable under non-cancellable leases in future years are:

	31 March '26	31 March '25
	£000	£000
Not later than one year	1,309	1,542
Later than 1 year and not later than 5 years	5,122	4,826
Later than 5 years	65,487	64,455

33. Pension Scheme

As part of the terms and conditions of employment, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until the employee retires, the Council has a commitment to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme which is administered by Hertfordshire County Council. This is a funded defined benefit scheme which means that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets in the long term. Under the Scheme members' retirement benefits are not affected by the Fund's performance

Pension contributions are based on rates determined by the Fund's professionally qualified actuary based on triennial reviews. A review was undertaken in 2025/26 with new employer rates from 2026/27.

Transactions Relating to Post Employment benefits

The Council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against council tax is based on the cash payable in the year; the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund balance via the Movement in Reserves during the year.

	2025/26 £000	2024/25 £000
Comprehensive Income & Expenditure Statement:		
<i>Service Cost comprising:</i>		
Current service cost	1,589	2,276
Past Service Cost	-	85
<i>Financing and Investment Income and Expenditure</i>		
Administration expense	10	-
Net Interest Expense	442	(491)
Total post employment benefit charged to surplus or deficit on the provision of services	2,041	1,870
<i>Other post employment benefit credited to the Comprehensive Income and Expenditure Statement</i>		
<i>Remeasurement of the net defined benefit liability comprising:</i>		
Return on plan assets (excluding the amount included in net interest expense)	(1,690)	5,891
Actuarial gains/(losses) arising on changes in demographic assumptions	(4,602)	(16,245)
Actuarial gains/(losses) arising on changes in financial assumptions	3,235	(2,172)
Other actuarial gains or losses	(887)	(843)
Impact of asset ceiling	(4,224)	28,853
Total post employment benefits charged to the Comprehensive Income and Expenditure Statement	(8,168)	15,484
Movement in Reserve Statement		
Reversal of net charges made to the surplus or deficit on the provision of services for post employment benefits in accordance with the code		
<i>Actual amount charges against the general fund balance for pensions in the year:</i>		
Employers contributions payable to scheme	2,984	2,982

Pensions Assets and Liabilities recognised in the Balance Sheet

	2025/26 £000	2024/25 £000
Opening Fair Value of scheme assets	132,104	133,020
Interest income	7,612	6,626
Remeasurement gain/(loss):		
Other Experience	(225)	-
Return on plan assets, excluding the amount included in the net interest expense	1,690	(5,891)
Contributions from employer	2,984	2,992
contributions from employees into the scheme	805	784
Benefits paid	(5,547)	(5,427)
31 March	139,423	132,104

Reconciliation of present value of scheme liabilities

Balance at 1 April	112,362	127,769
Current service cost	1,589	2,276
Past service cost	-	85
Interest cost	6,381	6,135
Contributions by scheme participants	805	784
<i>Remeasurment (gain) and losses:</i>		
Actuarial gains/(losses) arising on changes in demographic assumptions	(4,602)	(16,245)
Actuarial gains/(losses) arising on changes in financial assumptions	3,235	(2,172)
Other acutarial gains or losses	(1,102)	(843)
Benefits paid	(5,547)	(5,427)
31 March	113,121	112,362

	2025/26 £000	2024/25 £000
Scheme history		
Present value of the defined benefit obligation	(113,121)	(112,362)
Fair value of assets	139,423	132,104
Impact of asset ceiling	(26,302)	(28,853)
Surplus/(Deficit) in the scheme	-	(9,111)

Impact on the net worth of the Council

Statutory arrangements for funding the deficit means that the financial position of the Council remains healthy as:

Any deficit on the Local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contributions expected to be made to the pension scheme by the Council in the year to 31 March 2027 is £2.007m (£2.927m to 31 March 2026).

In accordance with IAS 19 and IFRIC 14, the net pension asset recognised in the Balance Sheet is limited to the asset ceiling. The asset ceiling restricts the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the scheme.

A breakdown of the Fund's assets including the prior financial year comparator is detailed below:

Asset breakdown	As at 31 March 2026		As at 31 March 2025	
	Total	% of Total Assets	Total	% of Total Assets
	£000	%	£000	%
Equities	90,806	65	78,905	60
Bonds	25,913	19	29,901	22
Property	18,850	14	19,990	15
Cash	3,854	3	3,308	3
Total	139,423	100	132,104	100

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Hertfordshire County Council Fund liabilities have been assessed by Barnett Waddingham (from 1 April 2024), an independent firm of actuaries, estimates for the Hertfordshire County Council Fund being based on the latest full valuation of the scheme as at 2022. The next full valuation was undertaken in 2025/26. With adjustments to employer rates applicable from 1 April 2026.

The principal assumptions used by the actuary have been:

	31 March '26		31 March '25	
Long-term expected rate of return on assets in the scheme:				
Equity investments	2.5%		2.5%	
Bonds	2.5%		2.5%	
Property	2.5%		2.5%	
Cash	2.5%		2.5%	
Mortality assumptions:				
Longevity at 65 for current pensioners:				
Men	22.8	years	21.2	years
Women	24.6	years	24.1	years
Longevity at 65 for future pensioners:				
Men	24.3	years	21.9	years
Women	26.3	years	25.2	years
Rate of inflation/ Pension increase	2.9%		2.9%	
Rate of increase in salaries	3.9%		3.9%	
Discount Rate	5.8%		5.8%	

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes at each change that the assumption analysed changes while all the others remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme ie. on an actuarial basis using the projected cost method. The methods and types of assumptions used in preparing the sensitivity analysis did not change from those used in the previous period.

Change in assumptions as at 31 March 2026:	Approximate % increase Defined Benefit Obligation
Longevity (increase or decrease in 1 year)	4%
0.1% decrease in real discount rate	2%
0.1% increase in the salary increase rate	0%
0.1% increase in the Pension increase rate	2%

Impact on the Council's Cashflow

The objectives of the scheme is to keep employer contributions at as constant a rate as possible. The Council has agreed a strategy with the schemes actuary, to achieve a funding level of 100% over the next 25 years. Funding levels are monitored on an annual basis.

34. Nature and Extent of Risks arising from Financial Instruments

Key Risks

The Council's activities expose it to a variety of financial risks. The key risks are:

- ▣ **Credit risk** the possibility that other parties might fail to pay amounts due to the Council;
- ▣ **Liquidity risk** the possibility that the Council might not have funds available to meet its commitments to make payments;
- ▣ **Re-financing risk** the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- ▣ **Market risk** the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements.

The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and to protect and maximise (given the identified level of risk) the financial resources available to fund services. The Council in the annual Treasury Management Strategy Statement provides written principles for overall risk management, as well as written policies (covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash).

1 Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

This Council uses the creditworthiness service provided by Arlingclose. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

The full Investment Strategy for 2025/26 was approved by Full Council on 26 February 2025 and is available on the Council's website.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Authority's maximum exposure to credit risk in relation to its investments in financial institutions cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Authority's deposits, but there was no evidence at the 31 March 2026 that this was likely to crystallise.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Accounts Receivable

The Council does not generally allow credit facilities to customers in relationship to debts. The past due amount can be analysed by age as follows: (see policy xii)

	31 March '26 £000	31 March '25 £000
Less than three months	1,672	1,272
Three months to one year	169	318
More than one year	827	1,624
	2,668	3,214

The Council pursues all debts in line with its established debt recovery policy.

2 Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (setting and approval of prudential indicators and the approval of the treasury and investment strategy reports, as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to variety of short term borrowings from either the money markets to cover any day to day cashflow need. The PWLB and money markets provides the council access to long term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

See Financial instruments Note 12

3 Refinancing and Maturity Risk

The Council maintains a debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

4 Market Risk

Interest rate risk

The Council is exposed to fluctuations in interest rate movements on its borrowings and investments. Fluctuations in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains or losses on fixed rate may have an impact on the Income and Expenditure account. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund Balance. Movements in the fair value of fixed rate investments will be reflected in the Comprehensive Income & Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rates exposure. The treasury team regularly monitors money market and often forecast interest rates within the year to adjust exposures accordingly. For instance during periods of falling interest rates, where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

The Council has an interest equalisation reserve that assists in managing interest rate fluctuations in the medium term. The balance as at 31 March 2026 is £1.336m.

Based on the current Treasury Management position at 31 March 2026, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000
Increase in interest payable on variable rate borrowings	no variable borrowings
Increase in interest receivable on variable rate investments	75
Increase in government grant receivable for financing costs	de minimus
Surplus on the Provision of Services	de minimus

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

5 Price Risk

The Council, does not generally invest in equity shares or marketable bonds.

6 Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to risk arising from movements in exchange rates.

The Council also has no shareholdings or insurance investment fund, therefore has no exposure to any further risks.

35. Capital Commitments

At 31 March 2026, the authority had no major new commitments.

36. Contingent Liability

The Council has identified one contingent liability which may give rise to future costs.

Following the Municipal Mutual Insurance Scheme Arrangement being "triggered" the Council has paid a total levy of £34k as at 31 March 2026. A contingent liability of around £138k remains in respect of potential further exposure against existing claims. Further claims could be notified.

Given the level of General Reserves held by the Council and the uncertainty of the value of the potential liabilities identified it has not been considered appropriate to make specific financial provision within the accounts at this stage.

37. Post Balance Sheet Event

There are no post balance sheet events as at 25 June 2026.

THE COLLECTION FUND

INCOME AND EXPENDITURE ACCOUNT

		2025/26			2024/25		
		£000	£000	£000	£000	£000	£000
		Council Tax	NDR	Total	Council Tax	NDR	Total
Income collectable from Council Taxpayers	Note 2	155,338	-	155,338	146,438	-	146,438
S31 S13A(1)/ (c) transfer from General Fund		11	-	11	4	-	4
Income collectable from Business Ratepayers	Note 3	-	52,654	52,654	-	47,028	47,028
Total Income		155,349	52,654	208,003	146,442	47,028	193,470
Council Tax Precepts and Demands							
Hertfordshire County Council		115,597	-	115,597	109,253	-	109,253
East Herts Council		19,936	-	19,936	18,697	-	18,697
Hertfordshire Police		17,308	-	17,308	16,267	-	16,267
-		-	-	-	-	-	-
Business Rates Shares:							
Payments to Government		-	26,865	26,865	-	25,277	25,277
Payments to Hertfordshire County Council		-	5,373	5,373	-	5,055	5,055
Payment to East Herts Council		-	21,492	21,492	-	20,221	20,221
-		-	-	-	-	-	-
Charges to Collection Fund							
Costs of Collection		-	204	204	-	203	203
Bad Debt Provision - Increase:							
Council Tax		2,055	-	2,055	1,095	-	1,095
Non Domestic Rates		-	203	203	-	231	231
Non Domestic Rates Appeals Provision	Note 4	-	(1,234)	(1,234)	-	(8)	(8)
Transitional Protection Payment		-	(96)	(96)	-	(2,849)	(2,849)
Disregarded Amounts		-	294	294	-	156	156
Distribution of prior years' Fund balance		564	(1,261)	(697)	2,786	643	3,429
Total Expenditure		155,460	51,840	207,300	148,098	48,929	197,027
In year Movement in Fund		111	(814)	(703)	1,656	1,901	3,557
Balance as at 1 April		(1,204)	1,598	394	(2,860)	(303)	(3,163)
Balance as at 31 March		(1,093)	784	(309)	(1,204)	1,598	394
Allocated to :							
East Herts Council		(142)	314	172	(157)	639	482
Hertfordshire Police		(124)	-	(124)	(136)	-	(136)
Hertfordshire County Council		(827)	78	(749)	(911)	160	(751)
Government		-	392	392	-	799	799
Total		(1,093)	784	(309)	(1,204)	1,598	394

NOTES TO THE COLLECTION FUND INCOME AND EXPENDITURE ACCOUNT

1. General

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund.

The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and Government of Council Tax and Non-Domestic Rates.

There is no requirement for a separate Collection Fund Balance sheet, as the assets and liabilities of the fund belong to the various bodies and Government.

In 2013/14 the local government finance regime was revised with the introduction of the Retained Business Rates scheme. The main aim of the scheme is to give Council's a greater incentive to grow businesses in the district. It does, however, also increase the financial risk to the Council due to non collection and the volatility of the NDR tax base.

The retained income scheme allows the Council to retain a proportion of the total NDR income received. The Council's share is 40% with the remainder being split between Hertfordshire County Council (10%) and Government (50%).

2. Council Tax

The Council's tax base i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of Band D dwellings, is calculated as follows:-

The tax base for 2025/26 was approved at Full Council on 11 December 2024 and was calculated as follows:

Band	Estimated no. of taxable properties after effect of discounts	Ratio	Band D Equivalent dwellings
Disa A	0.00	5/9	0.00
A	745.07	6/9	496.71
B	4,460.42	7/9	3,469.22
C	13,279.79	8/9	11,804.26
D	14,849.85	9/9	14,849.85
E	11,101.89	11/9	13,568.98
F	7,657.42	13/9	11,060.72
G	5,662.85	15/9	9,438.08
H	810.66	18/9	1,621.32
	58,567.95		66,309.14
Estimated collection rate			98.5%
2025/26 Estimated Council Tax base			65,314.4

3. Income from Business Ratepayers

The Council collects non-domestic rates for its area which are based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by the standard multiplier, which for 2025/26 was 55.5p (2024/25 54.6p) or the small business multiplier, which for 2025/26 was 49.9p (2024/25 49.9p)

The total amount less certain reliefs and allowances is distributed to East Herts Council (40%), Hertfordshire County Council (10%) and Central Government (50%).

When the Retained Business Rates scheme was introduced, the Government set a baseline for each authority identifying the funding required. In order to ensure that each authority receives their base line amount, a top up or tariff amount is applied to each local authority.

East Herts is a tariff authority, which means that it doesn't keep its entire share but is subject to pay a tariff (£19.876m in 2025/26) to Central Government which is when used to fund 'top up' authorities.

The business rates retention scheme provides the opportunity for local authorities to share in the benefits of growth in the rates tax base i.e. provides an incentive for economic development and regeneration. Any income retained from growth is subject to a levy of 50%. Conversely if any Council suffers a significant drop in NNDR due to the loss of one or more major businesses, or a large number of smaller businesses, or a greater than expected loss from revaluations, then a safety net of 92.5% of the baseline applies.

4. Provisions

The Collection Fund account includes provisions for bad debts on arrears based on past years experience and the current years collection rate.

	2025/26			2024/25		
	£000 Council Tax	£000 NDR	£000 Total	£000 Council Tax	£000 NDR	£000 Total
Balance at 1 April	(4,363)	(1,462)	(5,825)	(3,613)	(1,594)	(5,207)
Additional provisions made in year	(2,118)	(203)	(2,321)	(1,152)	(231)	(1,383)
Provision applied	605	137	742	402	363	765
Balance at 31 March	(5,876)	(1,528)	(7,404)	(4,363)	(1,462)	(5,825)

In addition, a provision has been made for NDR appeals against the rateable valuations assessed and determined by the Valuation Office Agency (VOA) which have not been settled by 31 March 2026.

	2025/26 £000	2024/25 £000
Balance at 1 April	(3,108)	(3,116)
Change in provisions	(406)	(288)
Provision applied in	1,640	296
Balance at 31 March	(1,874)	(3,108)

Group Accounts

Introduction

In order to provide a full picture of the economic and financial activities of the Council, and its exposure to risk, the accounting statements of its subsidiary are consolidated with those of the Council. The resulting Group Accounts are presented in addition to the Council's single entity accounts. They include the core accounting statements, similar in presentation and purpose to the Council's accounts, and any explanatory notes considered necessary to explain material movements from the single entity accounts. Where no notes are given, users of the accounts should refer to the notes in the single entity accounts.

Group accounts have been prepared under the requirements of the Code of Practice on Local Authority Accounting, consolidating any subsidiary over which the Council exercises control or influence.

Millstream Property Investments Ltd, is a wholly owned company formed in February 2018 by the Council. There are no minority shareholders and no restrictions on the Council's ability to access or use the assets or settle the liabilities of the group.

Millstream Property Investments Ltd was created to acquire, develop and refurbish homes to provide rental properties to tenants wishing to live in the private sector, but with the assurance that the accommodation is managed by a responsible landlord.

Acting as Millstream's sole shareholder, the Council agreed on 26th February 2024, to use its reserved power under the Shareholder Agreement with the company to resolve that the company disposes of its properties. Disposal will commence in 2025/26.

Accounting Policies

Millstream Property Investments Ltd has prepared its 2025/26 accounts using accounting policies consistent with those applied by the Council and no adjustments have been required to align accounting policies. Both entities have a financial year end of 31 March.

GROUP MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (ie those that can be applied to fund expenditure or reduce taxation) and other reserves.

	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves	Share of Reserves of Subsidiaries	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2025	3,854	17,298	0	189	21,340	73,780	95,120	2,403	97,523
Movement in reserves during 2025/26									
Total Comprehensive Income and Expenditure	(2,265)	-	-	-	(2,265)	8,418	6,153	(168)	5,985
Tax expenses for Millstream Property Investment	0	0	0	0	0	0	0	0	0
Adjustments between group accounts and authority accounts	-176	0	0	0	176	0	(176)	176	0
Adjustments between group accounts and authority accounts	403	0	0	-1	402	(403)	(1)	0	-1
Net Increase/Decrease before Transfers	(2,038)	0	0	(1)	(2,039)	8,015	5,976	8	5,984
Transfers to/(from) Earmarked Reserves	0	0	-	-	-	-	-	-	-
Increase/Decrease in Year	(2,038)	-	-	1.00	(2,039)	8,015	5,976	8	5,984
Balance as at 31 March 2026 carried forward	1,816	17,298	-	188	19,301	81,795	101,096	2,411	103,507

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations, generally this will be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

	2025/26		2024/25	
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Net Expenditure £000
Chief Executive & Corporate Support	335	0	335	543
Centrally Managed Costs	695	(45)	650	1,995
Communities	17,978	(11,159)	6,819	577
Finance, Risk & Performance	26,160	(21,021)	5,139	4,486
Legal, Policy & Governance	1,955	(137)	1,818	1,565
Place	14,435	(7,130)	7,305	2,264
Regeneration, Customer & Commercial Services	8,769	(10,244)	-1,475	2,364
NET COST OF SERVICES	70,327	(49,736)	20,591	13,794
Payments of precepts to parishes			6,775	6,045
Gain on disposal of non current (fixed) assets			338	(372)
Minimum Revenue Provision			1,431	751
OTHER OPERATING EXPENDITURE			8,544	6,424
Interest payable and similar charges			3,083	2,369
Net Interest on the net defined benefit liability & remeasurements of the defined benefit liability for long term employee benefits			451	(491)
Interest receivable and similar income			(1,368)	(1,588)
Income from investment properties		<i>Note 1</i>	(601)	(703)
Direct expenditure incurred on investment properties		<i>Note 1</i>	454	434
Changes in Fair Value of Investment Properties			42	(364)
Other Investment			448	1,857
FINANCING AND INVESTMENT EXPENDITURE			2,508	1,514
Recognised capital grants and contributions			(1,884)	(1,977)
Council tax income			(19,994)	(18,844)
Non domestic rates			(286)	911
Non service related government grants			(6,933)	(8,078)
Renewable Energy			(118)	(91)
TAXATION AND NON-SPECIFIC GRANT INCOME			(29,215)	(28,079)
(SURPLUS) / DEFICIT ON PROVISION OF SERVICES			2,428	(6,347)
Millstream Capital contribution			0	0
Tax expenses of subsidiaries			0	0
GROUP (SURPLUS)/DEFICIT			2,428	(6,347)
(Surplus) or Deficit on revaluation of PPE assets			(94)	(1,762)
Remeasurements of the net defined benefit liability			(8,192)	14,835
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			(8,286)	13,073
(Surplus) / Deficit on revaluation of financial instruments			(131)	(2,028)
ITEMS THAT MAY BE RECLASSIFIED TO THE (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			(131)	(2,028)
Millstream Other Operating Income			0	0
OTHER COMPREHENSIVE INCOME AND EXPENDITURE			(8,417)	11,045
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE			(5,989)	4,698

All operations arise from continuing activities.

GROUP BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council.

		31 March '26	31 March '25
		£000	£000
Property, Plant & Equipment			
- Other land and buildings		106,517	110,754
- Vehicles, plant, furniture and equipment		9,247	1,936
- Infrastructure assets		1,074	1,270
- Community assets		7,486	7,481
- Surplus assets		1,633	1,739
- Assets under Construction		3,732	3,595
		129,689	
Investment Properties		10,048	9,799
Intangible Assets		419	259
		140,156	136,833
Long Term Investments			11,524
Long Term Debtors	Note 2	219	246
		1,656	
TOTAL LONG TERM ASSETS		142,031	148,603
Assets Held For Sale		8,083	12,294
Short Term Investments		3,023	2,942
Short Term Debtors	Note 2	15,283	16,415
Cash and Cash Equivalents		21,220	21,361
CURRENT ASSETS		47,609	53,012
Provisions		(150)	(2,106)
Short Term Creditors	Note 2	(14,712)	(17,655)
Short Term Borrowing		(57,500)	(63,000)
CURRENT LIABILITIES		(72,362)	(82,761)
Provisions		(736)	(1,066)
Long Term Borrowing		(1,500)	(1,500)
Long Term Creditors	Note 2	(2)	187
Net Pension Liability		0	(9,111)
Grant Receipts in Advance - Capital		(2,555)	(3,868)
- Revenue		(8,978)	(6,193)
LONG TERM LIABILITIES		(13,771)	(21,551)
NET ASSETS		103,506	97,303
USABLE RESERVES			
- General Fund		3,854	3,854
- Earmarked Reserves		15,259	17,297
- Capital Receipts Reserve		0	0
- Capital grants Unapplied		188	189
- Profit and Loss Reserve	Note 3	755	528
		20,056	21,868
UNUSABLE RESERVES			
- Revaluation Reserve		29,411	32,128
- Financial Instrument Revaluation Reserve		0	(132)
- Pensions Reserve		0	(9,111)
- Capital Adjustment Account		52,649	51,445
- Deferred Capital Receipts		137	139
- Collection Fund Adjustment Account		(172)	(482)
- Short-term Accumulating Compensated Absences Account		(230)	(207)
- Share capital		1,656	1,655
		83,451	75,435
TOTAL RESERVES		103,506	97,303

GROUP CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period.

	2025/26		2024/25
	£000	£000	£000
OPERATING ACTIVITIES			
Cash Inflows			
Council Tax receipts	(20,027)		(13,856)
NNDR Receipts	(20,546)		(19,172)
DWP grants for benefits	(18,828)		(21,137)
Other Government grants	(10,653)		(10,840)
Cash received for goods and services	(25,931)		(29,410)
Interest received	(1,429)		(1,685)
Cash inflows generated from operating activities	(97,414)		(96,100)
Cash Out Flows			
Cash paid to and on behalf of employees	17,831		16,981
Housing Benefit paid out	16,765		21,333
Other operating cash payments	35,324		30,418
Precepts paid to other authorities	6,775		6,045
Interest paid	2,691		2,845
Cash outflows generated from operating activities	79,386		77,622
Net Cash Inflow from operating activities		(18,028)	(18,478)
INVESTING ACTIVITIES			
- Purchase of property plant and equipment, investment property and intangible assets	9,188		3,926
- Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(5,509)		(206)
- Capital grants	(1,427)		(2,262)
- Proceeds from short-term and long-term investments	(9,973)		(7,056)
Net cash inflow from investing activities		(7,721)	(5,598)
FINANCING ACTIVITIES			
- Cash Payments for the reduction of the outstanding liabilities relating to finance leases (Principal)	5,500		(10,880)
- Other payments for financing activities	20,396		17,813
Net cash outflow from financing activities		25,896	6,933
Net decrease in cash and cash equivalents		147	(17,143)
Cash and cash equivalents at the beginning of the reporting period		(21,362)	(4,224)
Cash and cash equivalents at the end of the reporting period		(21,215)	(21,367)

Note 1 - Investment Property

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	31 March '26			31 March '25		
	£000	£000	£000	£000	£000	£000
	EHDC	Millstream	Group total	EHDC	Millstream	Group total
Income from investment property	348	253	601	501	271	772
Direct expenditure arising from investment property	(376)	(78)	(454)	(364)	(30)	(394)

Note 2 - Debtors and Creditors

The effect of transactions between the Council and its subsidiary Millstream Property Investments Ltd are eliminated in Group Accounts, therefore debtors and creditors between these parties have been excluded.

Note 3 - Financial Instruments

IFRS 9 requirement is to consider whether loans are made under market terms, especially those made between related parties.

During the year Millstream Property Investments Ltd did not receive any loans from its parent company East Herts Council. However loans were advanced to Millstream by the parent company in 2019/20 and 2020/21 but were deemed at below market rate as there was no interest charged.

Note 4 - Summary of Financial Position of Subsidiary

Millstream Property Investments Ltd has been consolidated in the group accounts as a 100% owned subsidiary. The summary of financial position of the company is shown below:

Statement of comprehensive income and expenditure	31 March 2026 £000	31 March 2025 £000
Revenue	253	271
Cost of sales	(40)	(41)
Gross profit	213	230
Administrative expenses	(57)	(68)
Other operating income	0	0
Operating profit	156	162
Interest payable	(148)	(188)
Other gains losses	0	0
Profit/(Loss) on ordinary activities before taxation	8	(26)
Tax on profit/(loss)	0	0
Profit/(Loss) and total comprehensive income for the financial year	8	(26)

Statement of financial position	31 March 2026 £000	31 March 2025 £000
Non current assets		
Investment properties	5,798	5,507
Current assets		
Trade debtor	3	3
Cash and Cash equivalents	77	67
Total Assets	5,877	5,577
Current liabilities		
Trade creditor	218	225
Non current liabilities		
Loans	3,112	3,097
Provision for liabilities	136	71
Total liabilities	3,467	3,393
Net Assets/Liabilities	2,410	2,184
Equity		
Share capital	1,656	1,656
Retained earnings	755	528
Total equity	2,410	2,184

GLOSSARY OF FINANCIAL TERMS

Accounting Policies

Those principles, bases, conventions, rules and practices applied by the Council that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- Recognising;
- Measuring bases;
- Presenting.

Accruals

Accruals The concept that Income & Expenditure are recognised as they are earned or incurred, not as money is received or paid.

Accumulated Absences

Accumulated Absences Holiday entitlements (or any form of leave such as time off in lieu) earned by employees but not taken before the year end which can be carried forward into the following year.

Actuarial Gains and Losses

Changes in the net pensions liability that arise because

- events have not coincided with assumptions made at the last actuarial valuation, or
- the actuarial assumptions have changed

Amortisation

The term used to refer to the charging of the value of a transaction or asset (usually related to intangible fixed assets) to the Income and Expenditure Account over a period of time, reflecting the value to the authority; similar to the depreciation charge for tangible fixed assets.

Asset

An item having value measurable in monetary terms. Assets can either be defined as fixed or current. A fixed asset has use and value for more than one year whereas a current asset (eg stocks or short term debtors) can readily be converted into cash.

Capital Expenditure

Capital Expenditure Expenditure on the acquisition of a fixed asset or works which have a long term value to the Council, either directly to the Council or indirectly in the form of grants to other bodies.

Capital Financing Requirement

It measures an authority's underlying need to borrow or finance by other long term liabilities for a capital purpose.

Capital Receipts

The proceeds from the disposal of land and other assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by government, but they cannot be used for revenue purposes.

CIPFA

CIPFA Chartered Institute of Public Finance and Accountancy. The principal accountancy body dealing with local government finance.

Code of Practice on Local Authority Accounting (The Code)

Code of Practice on Local Authority Accounting sets out the arrangements required to be followed in the Statement of Accounts. It constitutes 'proper accounting practice' and is recognised as such by statute.

Community Assets

Assets that a local authority intends to hold indefinitely, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

Consistency

The principle that the accounting treatment of like items within an accounting period and from one period to the next is the same.

Contingent Asset

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the Council's control.

Contingent Liability

A contingent liability is a possible liability arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the local authority's control.

Creditor

An amount owed by the Council for work done, goods received, or services provided within the accounting period and for which payments has not been made at the Balance Sheet date.

Current Service Cost (Pensions)

The increase in liabilities as a result of years of service earned this year.

Curtailment

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

Curtailments include:

- Termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business;
- Termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

Debtor

Sums of money due to the Council but not yet received at the Balance Sheet date.

Deficit

An excess of expenditure over income (or liabilities over assets).

Defined Benefit Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Depreciation

Charges reflecting the decline in the value (not cost) of assets as a result of their usage or ageing.

DEFRA

Department for Environment, Food and Rural Affairs.

DWP

Department for Work & Pensions.

Expected Rate of Return on Pensions Assets

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Earmarked reserve

These are funds that are set aside for a specific purpose, or a particular service, or type of service.

Financial Instruments

Any document with monetary value. For example, securities such as bonds and stocks which have value and may be traded in exchange for money.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, towards either revenue or capital expenditure incurred in providing local services.

International Financial Reporting Standards

International Financial Reporting Standards cover specific aspects of accounting practice and set out the correct accounting treatment. Compliance with them is mandatory.

Impairment

This is a reduction in value of a fixed asset as shown in the balance sheet to reflect its true value

Infrastructure Assets

Expenditure on works of construction or improvement but which have no tangible value, such as construction or improvement to highways and footpaths.

Intangible Asset

Non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the authority through custom or legal rights e.g. computer software.

Interest Cost (pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

Investments (non-pensions fund)

A long term investment is one that is intended to be held for use on a continuing basis in the activities of the Council. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments, other than those in relation to the pension fund, that do not meet the above criteria should be classified as current assets.

Investment properties

Property that is used solely to earn rentals and/or for capital appreciation.

LAA

Local Area Agreement.

Liquid resources

Current asset investments that are readily disposal by the authority without disrupting its business.

MHCLG

Ministry of Housing, Communities and Local Government (formerly DCLG - Department for Communities and Local Government).

MTFP

Medium Term Financial Plan.

NDR

Non Domestic Rates.

Operating Lease

A lease whereby the ownership of the fixed asset remains with the lessor.

Past Service Cost

The increase / decrease in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years.

Revenue Expenditure

The day to day running costs incurred by the Council in providing its services.

REFCUS (Revenue Expenditure Funded from Capital Under Statute)

Capital expenditure which is allowable under statute to be funded from capital resources but which does not fall within the definition of a fixed asset. An example is a grant made to another party to finance capital investment.

Surplus

An excess of income over expenditure (or assets over liabilities)

Statement of Responsibilities for the Statement of Account

The Authority's Responsibilities

The Authority is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Financial Officer;
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- To approve the Statement of Accounts.

The Chief Financial Officers' Responsibilities

The Chief Financial Officer is responsible for the preparation of the authority's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In preparing this Statement of Accounts, the Chief Financial Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Make judgements and estimates that were reasonable and prudent;
- Complied with the local authority Code.

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

EAST HERTFORDSHIRE DISTRICT COUNCIL

Certificate of Responsible Finance Officer

I certify that this Statement of Accounts presents a true and fair view of the financial position of the Authority at the reporting date and its income and expenditure for the year ended 31 March 2025.

Signed

Date XX/XX/2026

Brian Moldon

Director of Finance, Risk and Performance
East Hertfordshire District Council

Signed

Date

Councillor Martin Adams

Chairman of Audit and Governance Committee